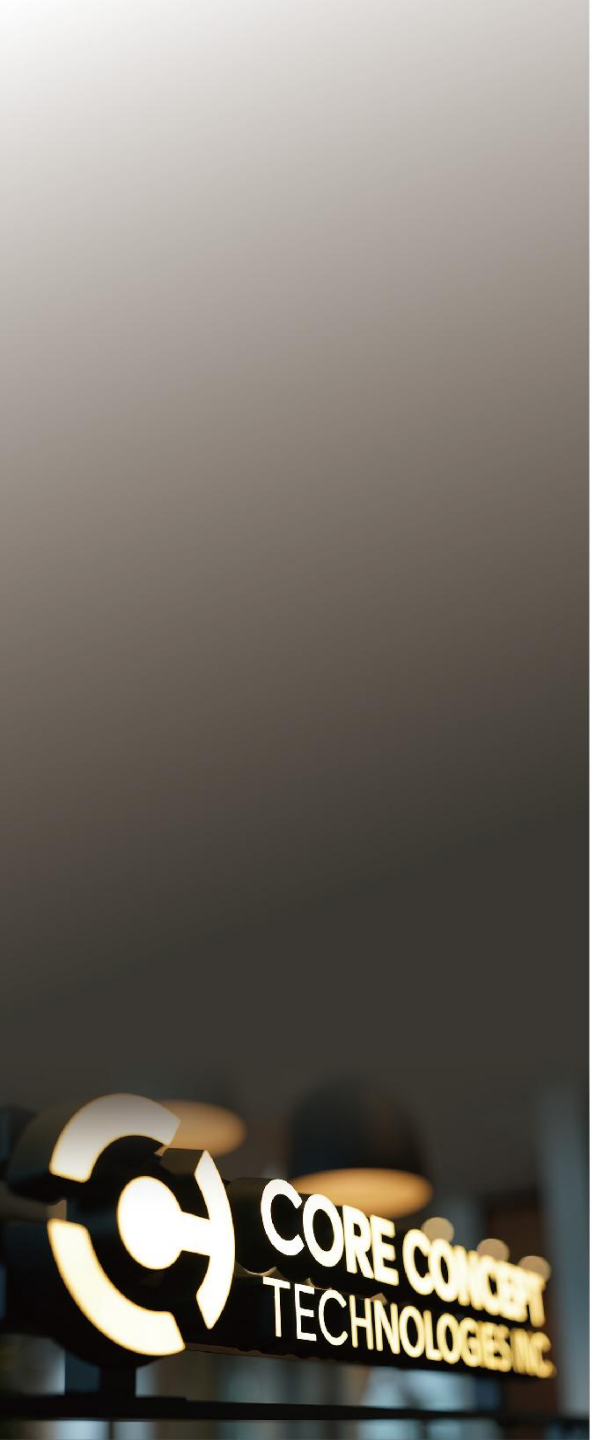
CORE CONCEPT TECHNOLOGIES INC.

Financial results for Q1 of FY 12/2025

Core Concept Technologies Inc.

Securities Code: 4371

May 14, 2025



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Executive Summary

Executive Summary

Results for Q1 of FY 12/2025

Sales and profit grew and exceeded the plan.

	Q1 of FY 12/2024	Q1 of FY 12/2025			
Net sales	4,437	**5,039**	million yen	**+13.6**	% year on year
Operating profit	562	**598**	million yen	**+6.5**	% year on year
Operating profit margin	12.7	**11.9**	%	**-0.8**	points year on year

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Earnings Report

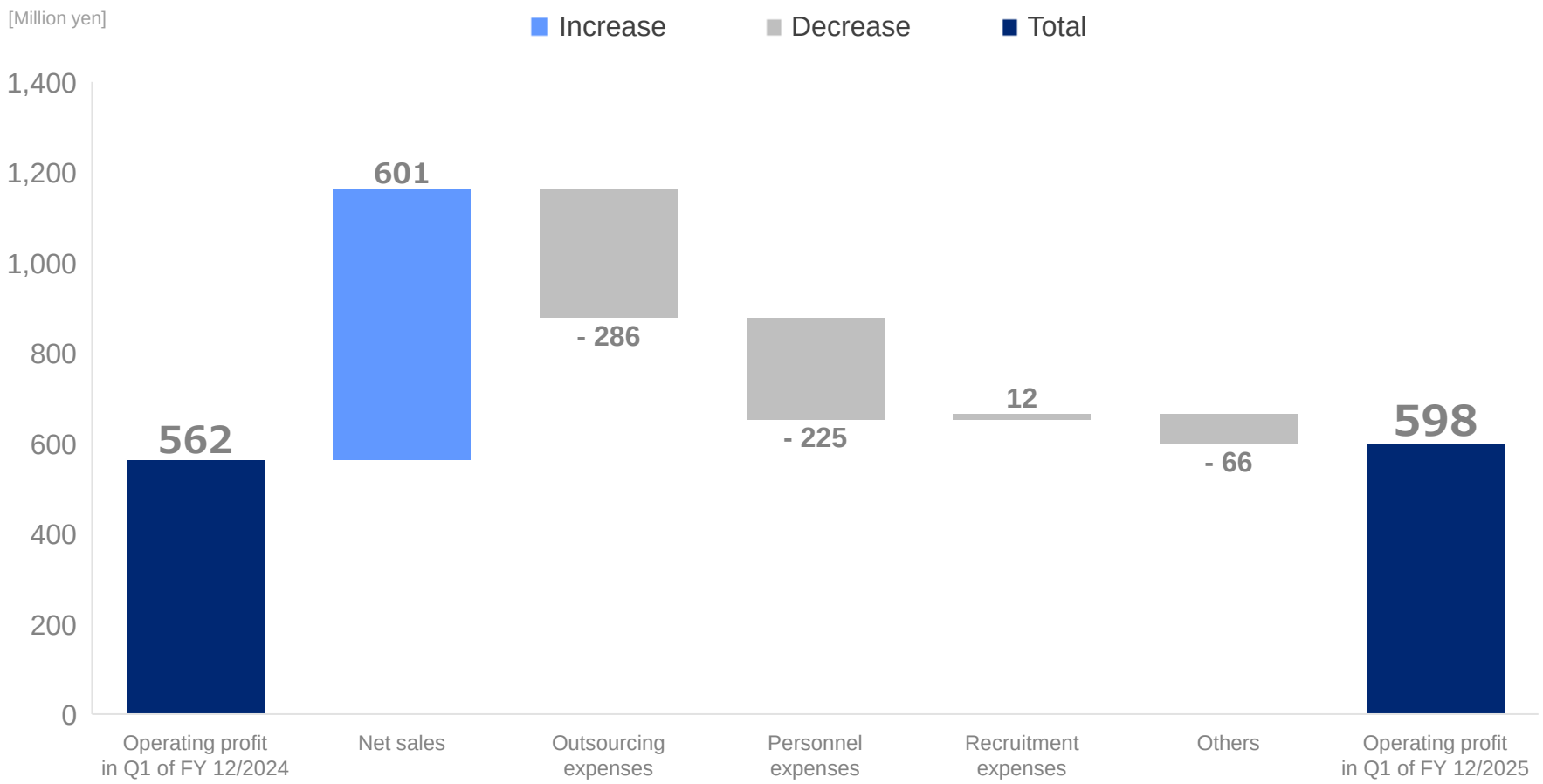
Consolidated profit and loss statement

- **We are off to a good start in terms of sales and profit grew and exceeded the plan.**

Unit: million yen

	2024 Q1	2025 Q1	Change	% change	(Full year) Earnings forecast	Progress rate
Net sales	4,437	5,039	+601	+13.6%	21,800	23.1%
Outsourcing expenses	2,613	2,900	+286	+11.0%	–	–
Personnel expenses	545	663	+118	+21.7%	–	–
Other costs	68	105	+37	+54.8%	–	–
Gross profit	1,210	1,370	+159	+13.2%	5,900	23.2%
Selling, general and administrative expenses	648	771	+122	+18.9%	–	–
Operating profit	562	598	+36	+6.5%	2,300	26.0%
Ordinary profit	562	590	+27	+4.8%	2,307	25.6%
Profit	402	416	+14	+3.6%	1,576	26.4%
Gross profit margin	**27.3%**	**27.2%**	**-0.1P**	**–**	**27.1%**	**–**
Operating profit margin	**12.7%**	**11.9%**	**-0.8P**	**–**	**10.6%**	**–**
Outsourcing expense rate	**58.9%**	**57.5%**	**-1.3P**	**–**	**–**	**–**

Factors in increase/decrease of operating profit



Results by segment

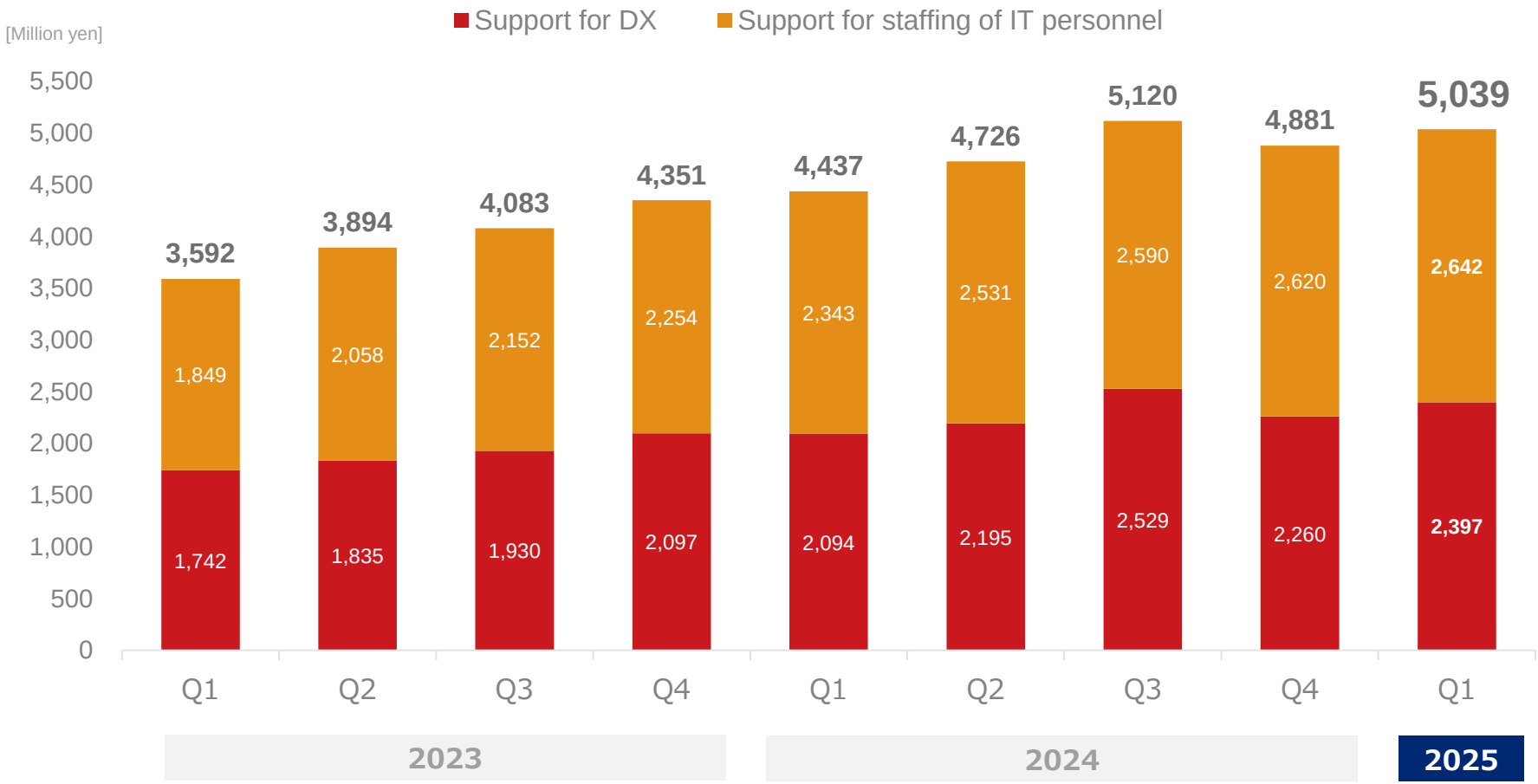
- **Sales of support for DX and support for staffing of IT personnel increased.**
- **Gross profit margin slightly dropped year-on-year, but exceed the plan.**

Unit: million yen

	2024 Q1	2025 Q1	Change	% change
Net sales	4,437	5,039	+601	+13.6%
Support for DX	2,094	2,397	+303	+14.5%
Support for staffing of IT personnel	2,343	2,642	+298	+12.7%
Gross profit	1,210	1,370	+159	+13.2%
Support for DX	809	933	+123	+15.3%
Support for staffing of IT personnel	401	436	+35	+8.8%
Gross profit margin	27.3%	27.2%	-0.1P	–
Support for DX	38.7%	38.9%	+0.3P	–
Support for staffing of IT personnel	17.1%	16.5%	-0.6P	–
Backlog of orders (as of the end of term)	3,057	4,155	+1,098	+35.9%
Support for DX	1,575	2,373	+798	+50.7%
Support for staffing of IT personnel	1,482	1,781	+299	+20.2%

Variation in quarterly net sales

- **Sales of support for DX increased from the previous quarter.**
- **Sales of support for staffing of IT personnel increased a little.**



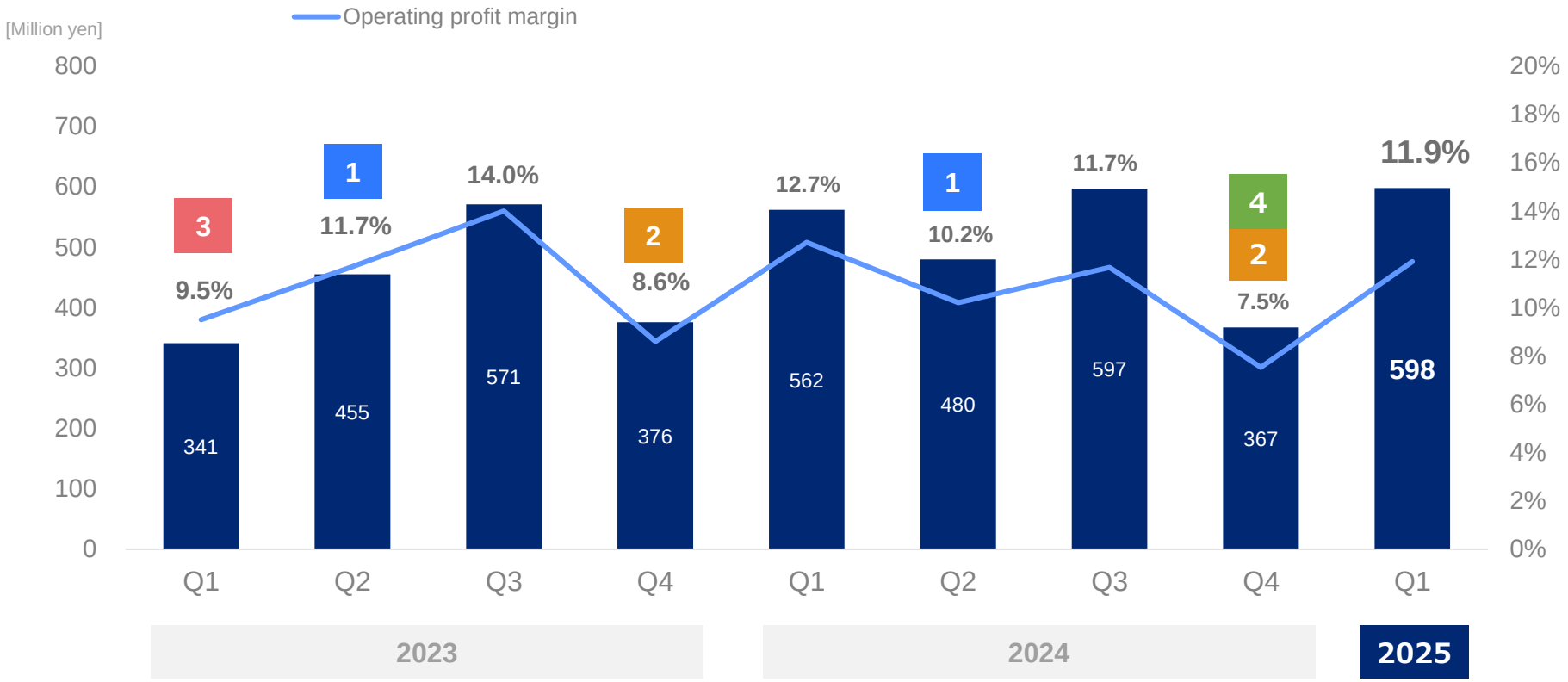
Variation in quarterly operating profit

1 Operating profit margin dropped due to recruitment of new graduates & experienced personnel.

2 Operating profit margin dropped due to a provision for year-end bonus. (296 million yen, and 62 million yen were posted in FY 12/2023, and FY12/2024, respectively.)

3 Operating profit margin dropped due to an increase in outsourcing expenses to deal with strong demand.

4 Operating profit margin dropped due to unprofitable projects.



Variation in quarterly selling, general and administrative expenses

CORE CONCEPT TECHNOLOGIES INC.

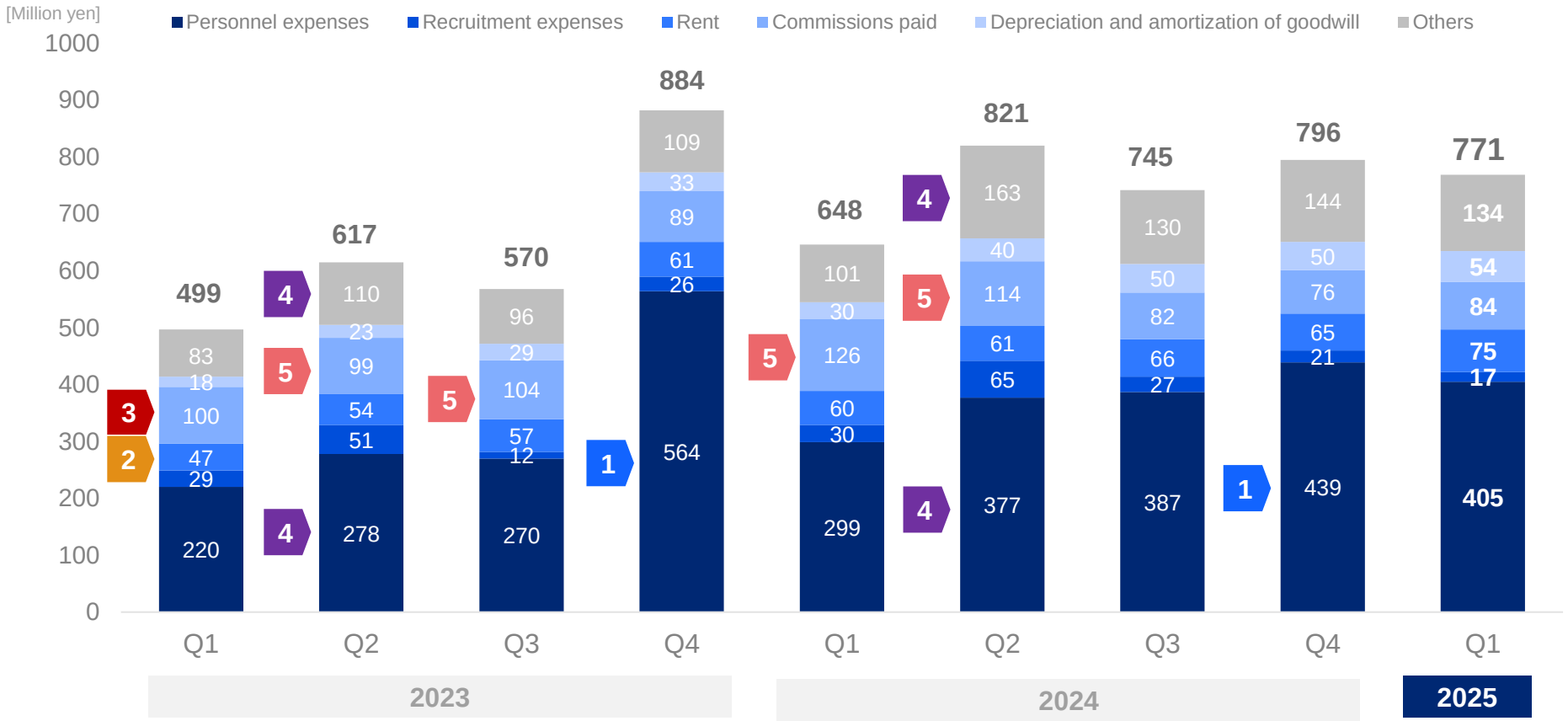
1 Increase due to the posting of a provision for year-end bonus (296 million yen, and 62 million yen were posted in FY 12/2023, and FY12/2024, respectively.)

2 Decrease due to subleasing of a part of the office

3 Marketing expenses, such as costs for webinars and content creation, increased.

4 Augmentation of personnel and training expenses in the training period for employees fresh out of college (April to June) (Personnel expenses will be included in costs from July.)

5 Brokerage fees for M&A and remuneration for experts increased. (29 million yen and 27 million yen were posted in Q2 and Q3 of FY 12/2023, respectively. 28 million yen and 50 million yen were posted in Q1 and Q2 of FY 12/2024, respectively.)



- Personnel expenses include remuneration for executives.

Consolidated profit and loss statement (quarterly basis)

CORE CONCEPT TECHNOLOGIES INC.

- **Sales increased from the end of Q4 and profit margin also remarkably improved.**

Unit: million yen

	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1
Net sales	4,437	4,726	5,120	4,881	5,039
Outsourcing expenses	2,613	2,845	2,980	2,927	2,900
Personnel expenses	545	547	660	679	663
Other costs	68	32	137	110	105
Gross profit	1,210	1,302	1,342	1,164	1,370
Selling, general and administrative expenses	648	821	745	796	771
Operating profit	562	480	597	367	598
Ordinary profit	562	488	610	384	590
Profit	402	333	395	308	416
Gross profit margin	**27.3%**	**27.5%**	**26.2%**	**23.9%**	**27.2%**
Operating profit margin	**12.7%**	**10.2%**	**11.7%**	**7.5%**	**11.9%**
Outsourcing expense rate	**58.9%**	**60.2%**	**58.2%**	**60.0%**	**57.5%**

Results by segment (quarterly basis)

- **Gross profit margin of support for DX significantly improved and we have a sufficient amount of backlog of orders.**

Unit: million yen

	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1
Net sales	4,437	4,726	5,120	4,881	5,039
Support for DX	2,094	2,195	2,529	2,260	2,397
Support for staffing of IT personnel	2,343	2,531	2,590	2,620	2,642
Gross profit	1,210	1,302	1,342	1,164	1,370
Support for DX	809	857	922	728	933
Support for staffing of IT personnel	401	444	420	435	436
Gross profit margin	27.3%	27.5%	26.2%	23.9%	27.2%
Support for DX	38.7%	39.0%	36.5%	32.2%	38.9%
Support for staffing of IT personnel	17.1%	17.6%	16.2%	16.6%	16.5%
Backlog of orders	3,057	3,644	3,477	3,543	4,155
Support for DX	1,575	1,980	1,833	1,648	2,373
Support for staffing of IT personnel	1,482	1,663	1,643	1,895	1,781

Consolidated balance sheet

Unit: million yen

	2024 Q4	2025 Q1	Change	Major factors in increase/decrease
Current assets	5,828	5,535	-292	Cash and deposits: -509; accounts receivable -trade: +172
Cash and deposits	2,195	1,685	-509	
Non-current assets	2,181	2,100	-80	Goodwill: -17 Investment securities:-52
Total assets	8,009	7,635	-373	
Current liabilities	3,582	2,800	-782	short-term borrowings: -390; accounts payable - other and accrued expenses: -169; provision for bonus: -160
Non-current liabilities	231	223	-7	
Net assets	4,195	4,611	+416	Retained earnings: +416
Total liabilities and net assets	8,009	7,635	-373	
Equity capital ratio	**52.4%**	**60.4%**	**+8.0P**	

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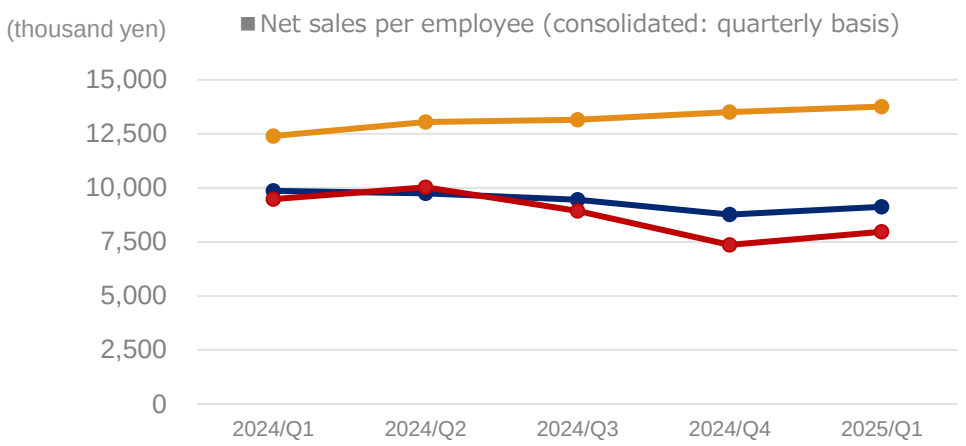
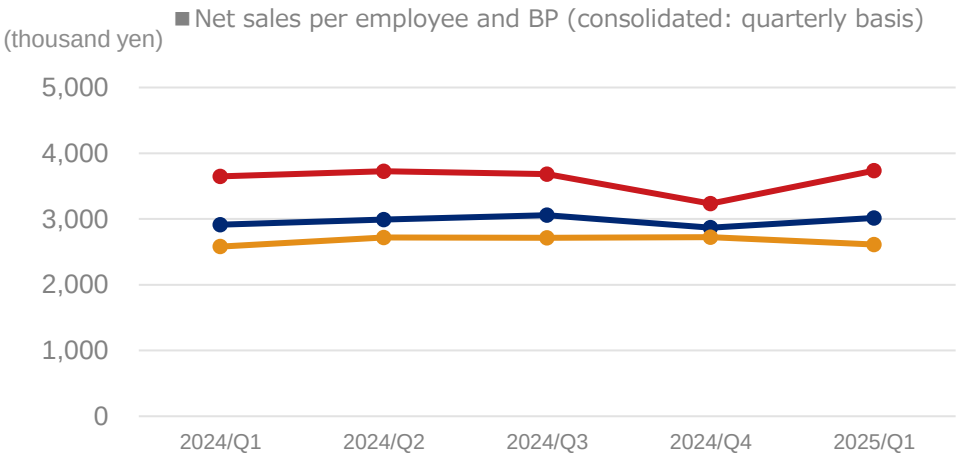
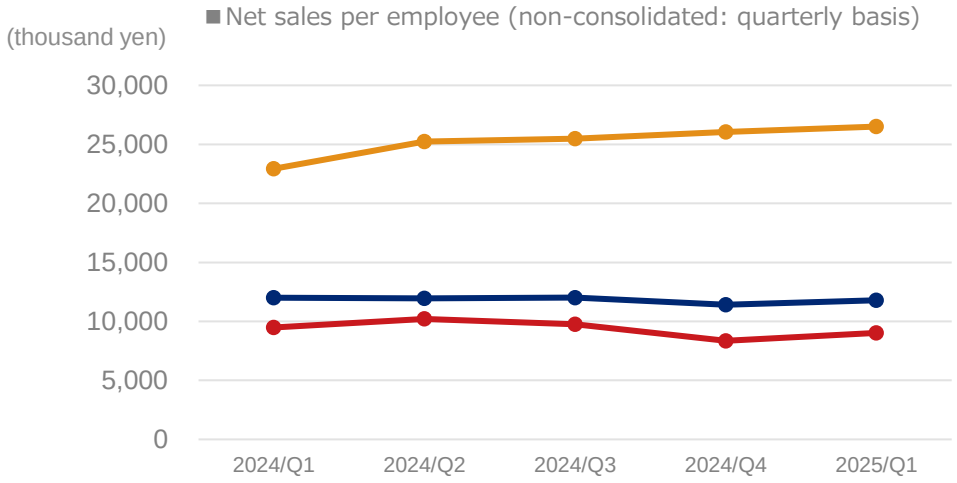
KPI

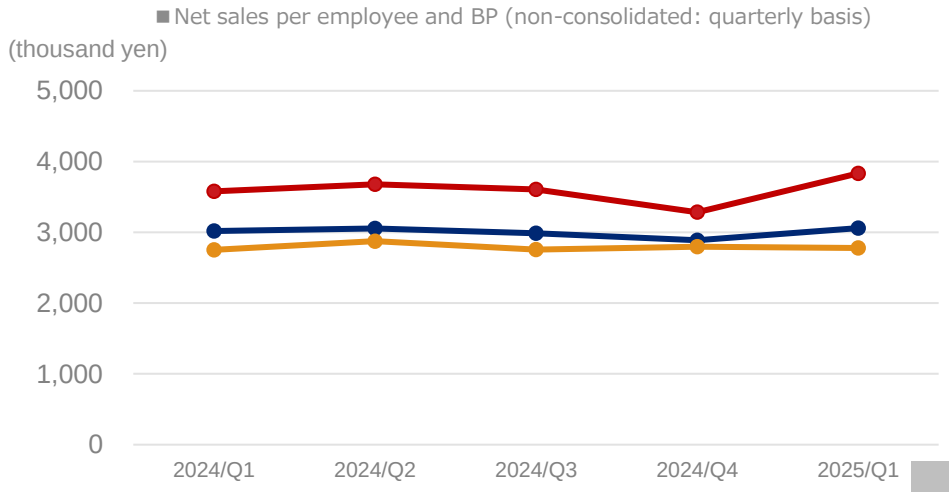
Productivity: Net sales per employee (quarterly basis)

- **Productivity of support for DX, which declined in Q4 of the previous fiscal year, improved in Q1.**





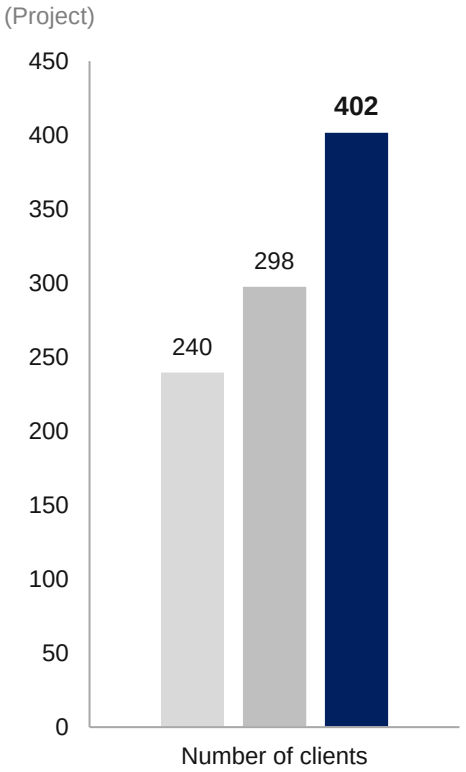




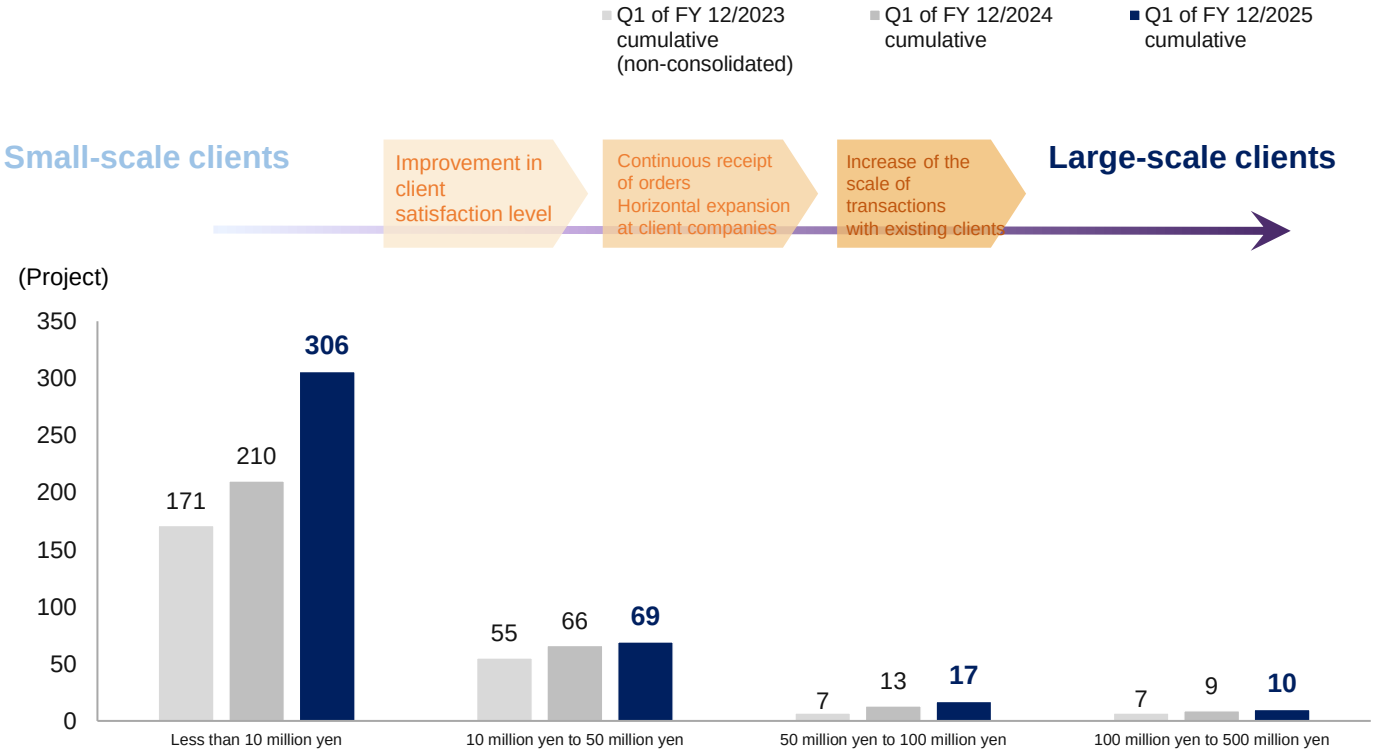
Increase of large-scale clients

- **Our growth driver is to continually increase transactions with existing clients* by enhancing their satisfaction and to acquire more large-scale clients.**
- **The number of customers is steadily increasing, but the growth rate of large-scale clients slightly slowed down.**

Variation in the total number of clients

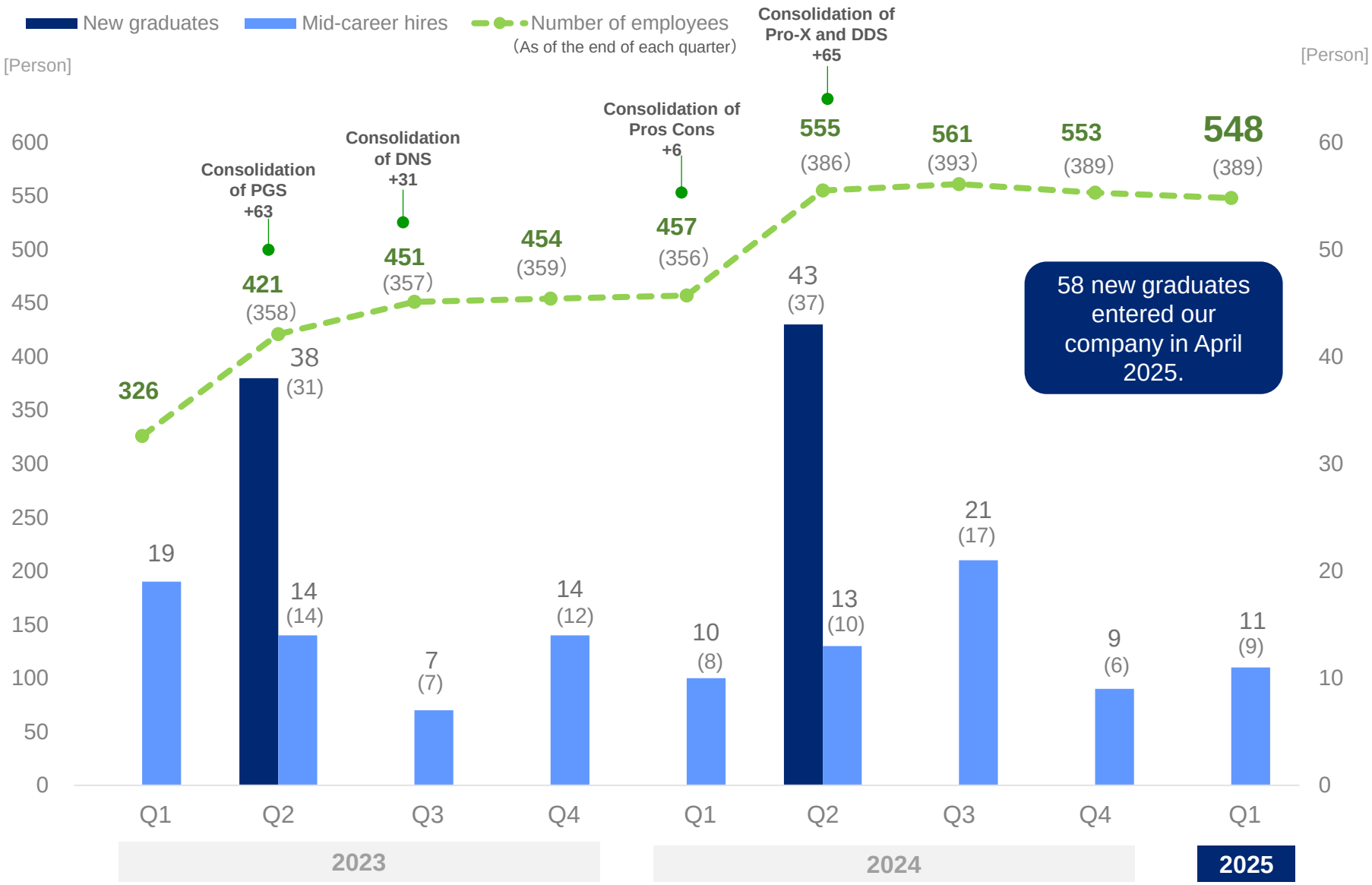


Variation in the number of clients (for each sales range)



*The sales from clients who made transactions with us in the previous fiscal year and existing clients account for about 90% of total sales.

Variation in the number of employees

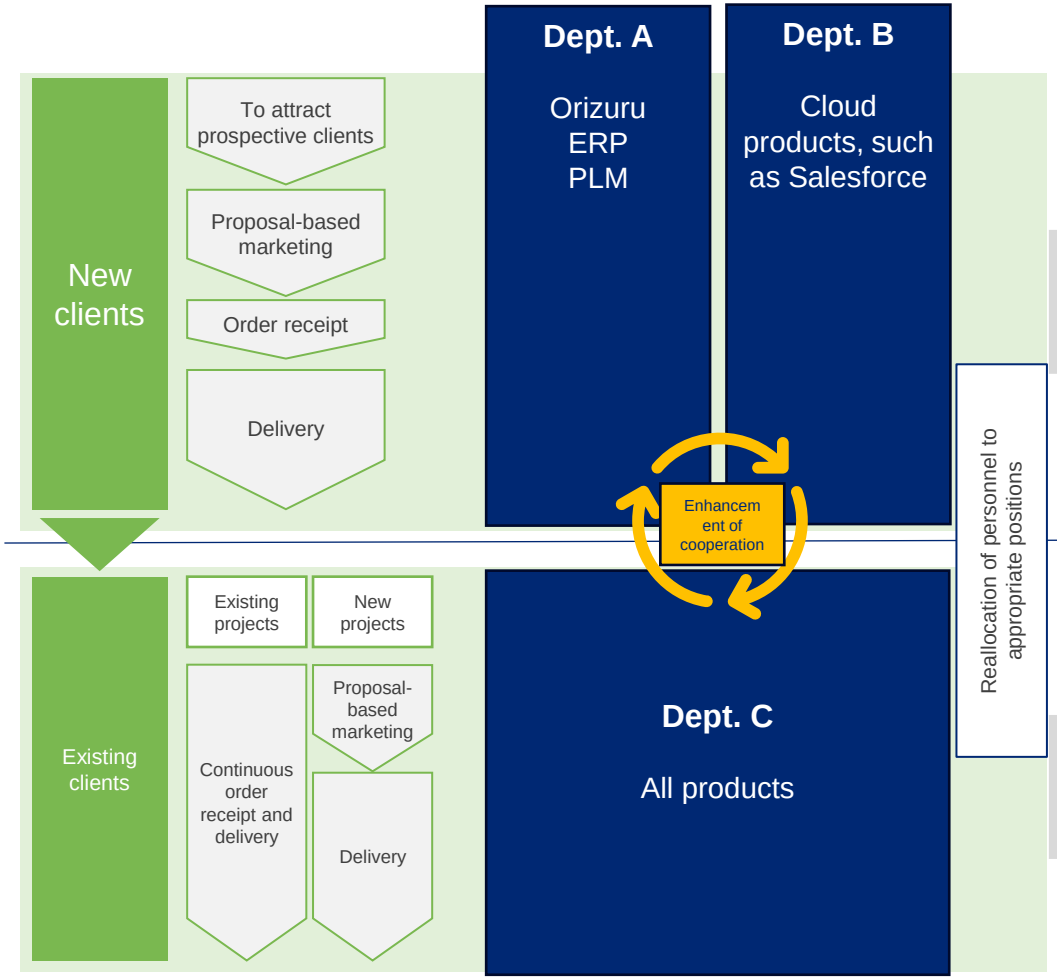


*The parenthesis represents the number of employees of CCT only.

4 Measures for Rebuilding of Our Businesses in FY2025

Support for DX: Increase of marketing activities after remodeling of our organizations

- **Clarification of roles of each department (new clients × products, existing clients)**
- **We will reorganize our organizational structure into the one which can engage in cross-selling of all products to existing customers which is increasing in number year by year.**



Roles

First Phase

Start of transactions To gain trust

To attract new clients

To foster trusting relationships with clients by making new projects successful

To deal with existing clients' new projects that cannot be handled in the main phase

Main Phase

To continue or expand transactions, improve gross profit margin, and train personnel

Up-selling in existing projects

Cross-selling to other sections (new projects)

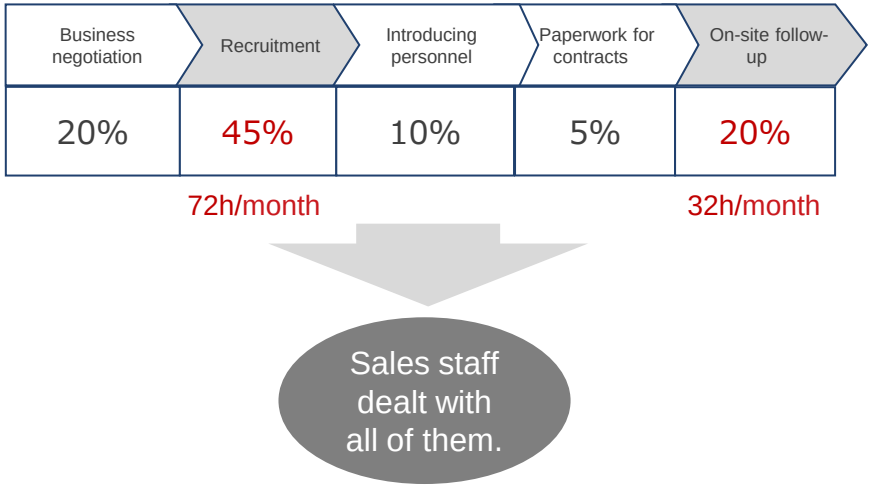
Cross-selling of products (new projects)

*Training of young staff → Shift from employees who are ready for actual tasks to young staff, subsidiaries, and business partners

Support for staffing of IT personnel: Increase of marketing activities due to changes in duties

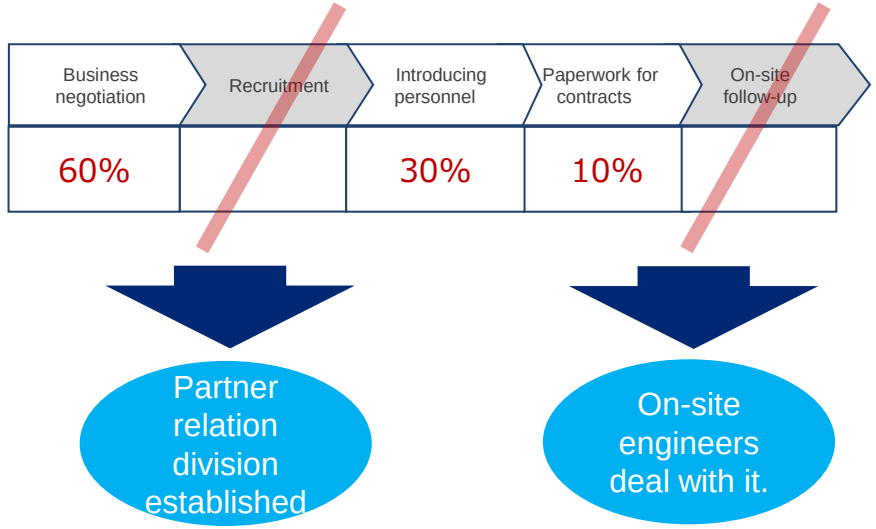
- **To separate recruiting and on-site follow-up, which hinder marketing activities, from the tasks of sales staff, and increase proposal-based marketing to clients**

Man-hours of sales staff (so far)



- Recruitment and on-site follow-up account for 65% of all processes, hindering proposal-based marketing.

Man-hours of sales staff (from this fiscal year)



- Established a section specializing in recruitment.
- To attend to 500 active companies, and then 5,900 companies registered in Ohgi in a stepwise manner

- CCT engineers stationed in respective sites handle on-site follow-up.

Situation in Q1 regarding business rebuilding

- **The effect of organization remodeling is almost as expected.**
- **Backlog of orders in support for DX increased as a result of increase in marketing activities.**

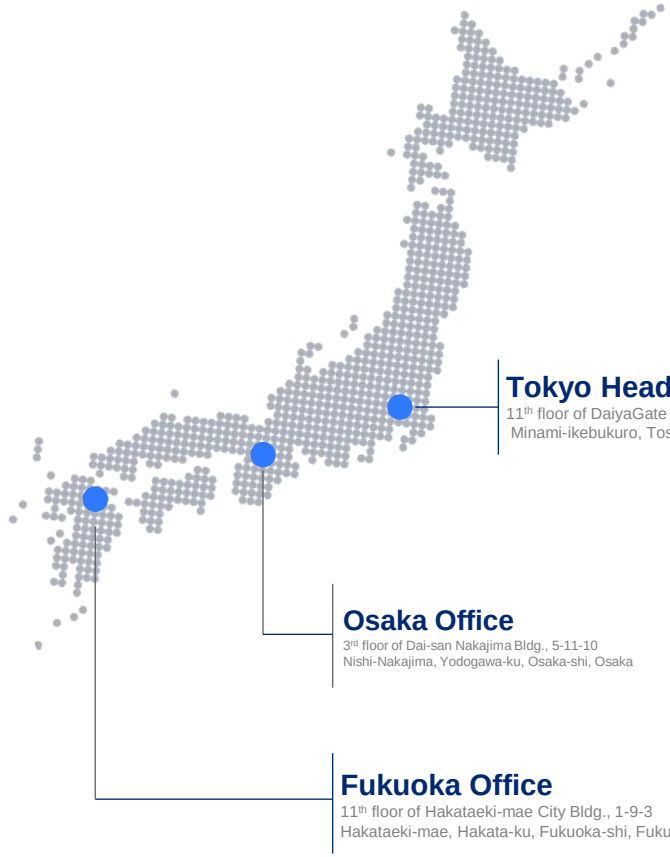
	Results	Evaluation
Marketing activity	Unit: million yen **Net sales** Q4 Q1 ● Support for DX : 2,260 ⇒ 2,397 (+137) ● Support for staffing of IT personnel : 2,620 ⇒ 2,642 (+ 21) **Backlog of orders** Q4 Q1 ● **Support for DX : 1,648 ⇒ 2,373 (+725)** ● Support for staffing of IT personnel : 1,895 ⇒ 1,781 (-113)	△ The increase in net sales in Q1 was primarily generated from existing clients. **○ Marketing activities in support for DX increased to acquire new clients.** △ Gathering IT engineers in support for staffing of IT personnel went smoothly. However, the efficiency in matching them with projects remains an issue.
Profit margin	Unit: % **Gross profit margin** Q4 Q1 ● **Support for DX : 32.2 ⇒ 38.9 (+6.7p)** ● Support for staffing of IT personnel : 16.6 ⇒ 16.5 (-0.1p)	**○ The impact of the unprofitable project in Q4 of the previous fiscal year diminished.** **○ Optimized the outsourcing expense rate.** ○ Strengthened our efforts to check whether a project is profitable. △ Rise in our unit prices (Depends on clients and projects.) △ Strict control of quality, cost and delivery (QCD) is still midway.

5

Appendix

Corporate profile

Corporate name	**Core Concept Technologies Inc. (CCT)**
Business description	**To support client companies in DX and staffing of IT personnel**
Location	**11th floor of DaiyaGate Ikebukuro, 1-16-15 Minami-ikebukuro, Toshima-ku, Tokyo**
Representative	**Takeshi Kaneko, Representative Director, President, CEO**
Date of establishment	**September 17, 2009**
Capital stock	**566,178 thousand yen** (as of March 31, 2025)
Account closing month	**December**
Number of employees	**Consolidated: 548; non-consolidated: 389** (as of March 31, 2025)
Office locations	**Tokyo (headquarters), Osaka, and Fukuoka**



Group companies (wholly owned subsidiaries)

P. G. System Co., Ltd.	18-10 Matsushima-cho, Ube-shi, Yamaguchi
Denso Co., Ltd.	15-1 Omiya-cho, Saiwai-ku, Kawasaki-shi, Kanagawa
Pros Cons, Inc.	1-26-15 Tomioka, Koto-ku, Tokyo
Pro-X Co., Ltd.	2-1-31 Ebie, Fukushima-ku, Osaka-shi, Osaka
Digital Design Services Co., Ltd.	2-5-2 Nishitenma, Kita-ku, Osaka-shi, Osaka

Management structure: Directors and Executive Officers

Directors

Takeshi Kaneko

Kazuaki Nakajima

	Takeshi Kaneko	Kazuaki Nakajima
Post	Representative Director, President and CEO	Director, Vice-President and CFO
Biography	2000: Entered Inx Co., Ltd. (currently SOLIZE Corporation). 2006: Established Laguna Co.,Ltd. 2006: Entered KT Consulting Co., Ltd. 2009: Served as Auditor at ShinStar Co., Ltd. 2010: Entered CCT. 2013: Appointed as Director and Vice-president. 2015: Appointed as Representative Director,President and CEO (incumbent). 2023:Director at DT dynamics Corporation (incumbent).	1995: Entered Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.). 2014: Served as Executive Officer at Human Holdings Co., Ltd. 2017: Served as Director at S-cubism Inc. 2018: Entered CCT. 2019: Appointed as Executive Officer and CFO. 2020: Appointed as General Manager of Business Administration Division. 2020: Appointed as Director and CFO (incumbent). 2025: Appointed as Director, Vice-President and CFO (incumbent).

Executive Officers

Senior executive officers	Hajime Tsunoo	General Manager of the Solution Business Division	Masatoshi Hagiwara	General Manager of the Engineering Platform Division
	Masafumi Kato	COO and General Manager of the Enterprise SI Division	Takashi Yasukochi	CIO and General Manager of the Information System Department
Executive officers	Hideaki Morita	Head of the Strategy Promotion Office	Yoshiyuki Umeda	General Manager of the Business Administration Division
	Masataka Ishihara	General Manager of the Manufacturing DX Division		

Management structure: Directors belonging to the audit and supervisory committee

	Shohei Ueda	Takuo Hirose	Masaya Suzuki	Eri Nakajima
Post	Director and Standing Audit and Supervisory Committee Member	Director and Audit and Supervisory Committee Member	Director and Audit and Supervisory Committee Member	Director and Audit and Supervisory Committee Member
Biography	1983: Entered Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation) 2005: Appointed as manager of the Shizuoka Branch of Matsushita Electric Industrial Co., Ltd. 2007: Appointed as manager of the Shikoku Branch of Matsushita Electric Industrial Co., Ltd. 2010: Appointed as Executive Officer and Director of Marketing Center at Panasonic System Solutions Japan Co., Ltd. 2011: Appointed as Managing Executive Officer at Panasonic System Solutions Japan Co., Ltd. 2020: Appointed as full-time auditor at Panasonic System Solutions Japan Co., Ltd. 2025: Appointed as Director and Audit and Supervisory Committee Member at CCT (incumbent).	1997: Registered as attorney. Joined Tomotsune Kimura & Mitomi (currently Anderson Mori & Tomotsune). 2003: Worked at Shearman & Sterling LLP in the U.S. 2004: Obtained the New York Bar registration. 2004: Returned to work at Anderson Mori & Tomotsune. 2005: Appointed as a partner attorney at Anderson Mori & Tomotsune (incumbent). 2007: Served as Outside Auditor at Roland DG Corporation. 2010: Served as Outside Director at Roland DG Corporation. 2018: Appointed as Outside Auditor at Cyfuse Biomedical K.K. (incumbent). 2020: Appointed as Auditor at CCT. 2021: Appointed as Director and Audit and Supervisory Committee Member at CCT (incumbent). 2021: Appointed as Outside Director at Hamamatsu Photonics K.K. (incumbent).	2000: Joined Ernst & Young ShinNihon LLC. 2004: Registered as CPA. 2019: Opened and operates Masaya Suzuki Accounting Office. 2020: Appointed as Auditor at CCT. 2021: Appointed as Director and Audit and Supervisory Committee Member at CCT (incumbent). 2022: Appointed as Outside Auditor at CCReB Advisors Inc. (incumbent).	1995: Entered the Environment Agency (currently Ministry of the Environment). 2003: Went on loan to the Agency for Natural Resources and Energy of METI. 2015: Went on loan to Nagano Prefecture as a vice-governor. 2022: Appointed as Outside Director at IDEC Corporation (incumbent). 2023: Appointed as Director and Audit and Supervisory Committee Member at CCT (incumbent). 2023: Appointed as Professor at Doshisha University (incumbent).

Major clients

- **Support for DX has supported clients mainly in the manufacturing, construction and logistics fields.**
- **Support for staffing of IT personnel has assisted a wide range of industries through leading system integrators.**

Support for DX

EARTHBRAIN
AGC
センコー
TAKENAKA
Digital Garage
'TORAY' 東レエンジニアリング株式会社
HIROSE
MiSUMi
LIXIL
Link to Good Living

Support for staffing of IT personnel

CTC
INTEC
TIS INTEC Group
SCSK
Simplex Inc.
電通総研
NS Solutions
NRI 野村総合研究所 Nomura Research Institute
WingArc 1ST
The Data Empowerment Company
弥生

Purpose

Our Purpose

Driving sustainable industrial development through the power of our technology and people

What We Do

Create the Next-Gen of the IT Industry

- ✓ We envision a future in which each industry develops sustainably and will make this vision real to create a sustainable society through the evolution of our products and people.
- ✓ We contribute to the sustainable development of industry by reforming our clients' business processes and value chains through Digital Transformation (DX). Along with growing sales and improving profitability, we solve issues such as reducing environmental impact through the improvement of asset and energy efficiency, eliminating labor shortages through improved labor productivity, and passing on know-how from veteran employees.
- ✓ By utilizing "Ohgi," an extensive business partner network made mainly of small and medium-sized companies, we contribute to the reduction of the adverse effects of the multiple contracting structure in the Japanese system integration industry, such as the uneconomical middle margins, as well as the regional income disparity of IT human resources.

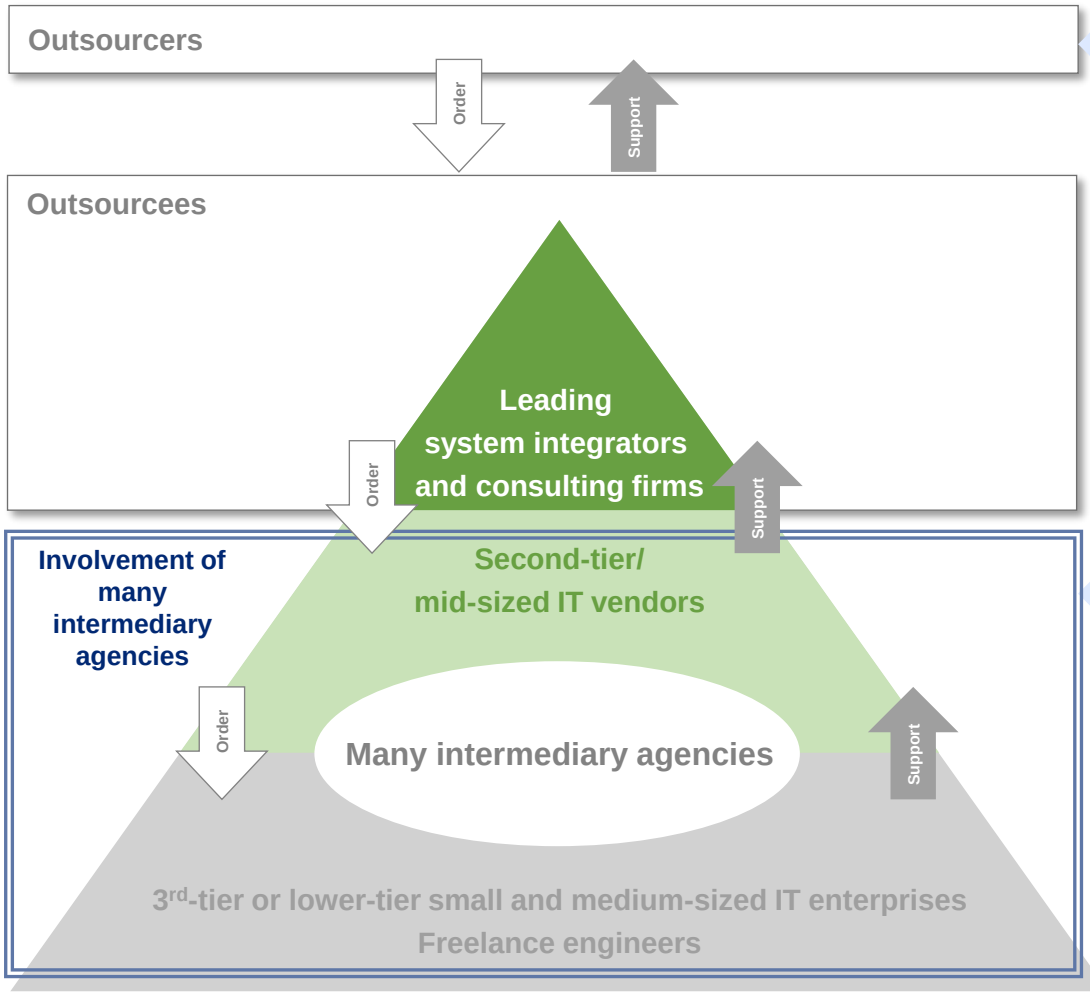
Our Values

Think Big, Act Together.

Think Big	Exchange ideas freely and move away from conventional wisdom and fixed concepts. With firm determination, we shall find the new value the world is searching for.
Act Together	We are supported by many stakeholders, including our customers and employees. Act Together to respond to their understanding and trust.

What we do: Create the next-gen of the IT industry - Industrial issues and our ideal state

- **We solve the problem of the involvement of many intermediary agencies in the IT industry and make the world change, so that companies can conduct DX autonomously.**



Problems business companies are facing

- Shortage of personnel who can proceed with DX
- They rely on leading system integrators and consulting firms for IT strategies and development.

Problem-solving by our company

- To provide “reproducible DX methods and a DX development base,” so that clients can conduct DX by themselves
- To procure temporary IT personnel by using “Ohgi”

Problems small and medium-sized IT enterprises are facing

- The system is uneconomical, due to the involvement of intermediary agencies.
- Inefficiency of staffing of IT personnel (spending labor and time)
- Income inequality between engineers of leading system integrators and of small and medium-sized IT enterprises

Problem-solving by our company

- Solve the problem of the involvement of many intermediary agencies by expanding “Ohgi”

Business description

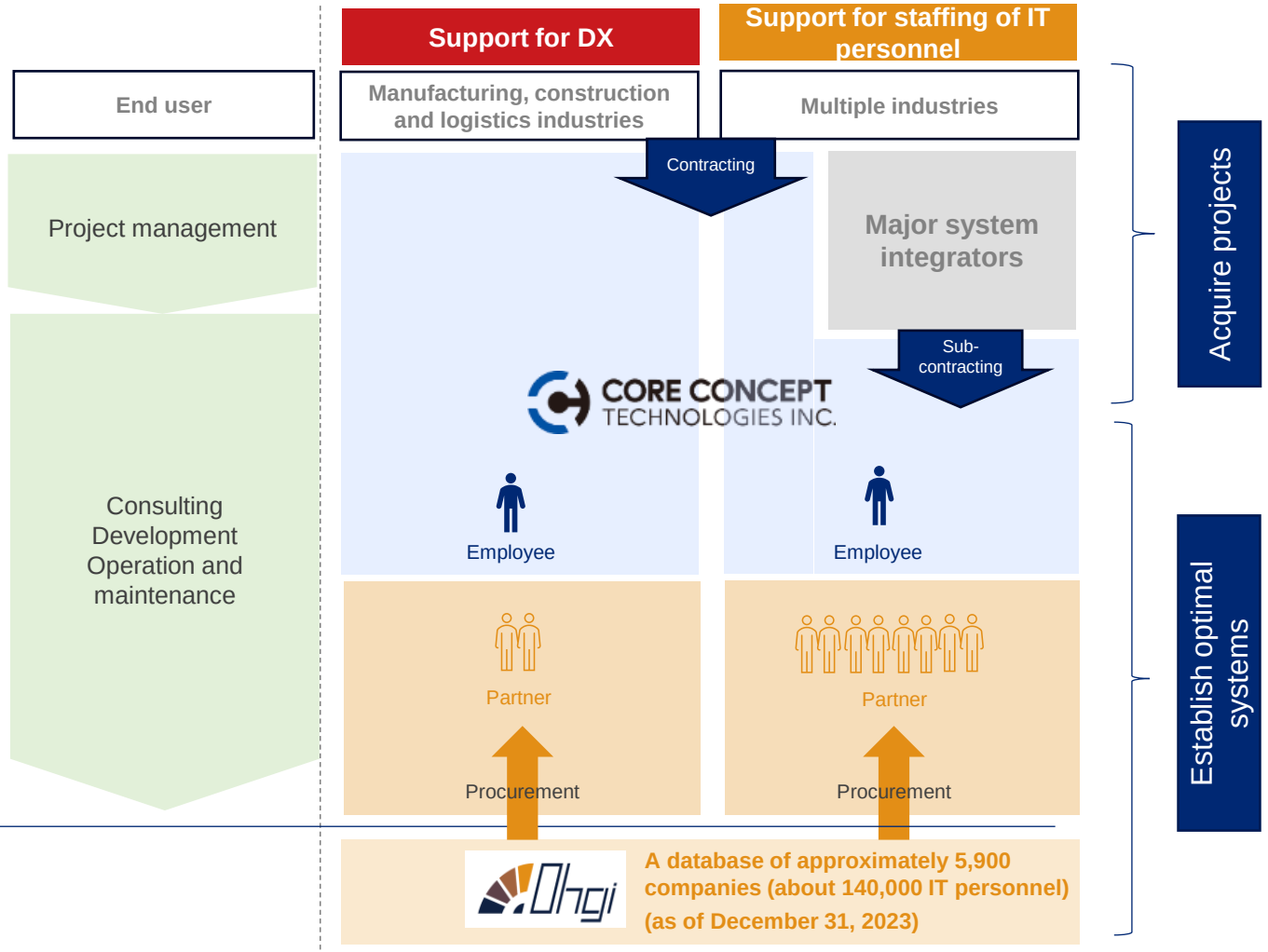
- **We acquire multiple kinds of projects with support for DX (1st-tier contractor) focusing on specific industries and support for staffing of IT personnel (2nd-tier contractor) covering a wide range of industries. In addition, we increase top line by leveraging "Ohgi."**

Support for DX

- ✓ Sales are accumulated based on a monthly unit price per engineer (outsourcing agreement).
- ✓ High revenue as we directly receive orders from end users while taking advantage of **our technical capability** on AI **and profound knowledge on manufacturing**
- ✓ Utilizing the standard function module + customizable **"Orizuru"** and the DX support methodology **"CCT DX-Method."**

Support for staffing of IT personnel

- ✓ Sales are accumulated based on a monthly unit price per engineer (outsourcing agreement).
- ✓ Gross profit comes from the difference between sales unit prices and procurement costs (outsourcing expenses for BPs). Utilize leverage **while actively partnering with BPs**.
- ✓ Receipt of orders for a portion of projects from leading system integrators as a subcontractor to cater to the temporary demand for IT personnel. In some cases, direct receipt of orders from end users.
- ✓ Diversification of industry portfolios to contribute to the expansion of BPs while increasing the number of projects



Ecosystem of our business growth

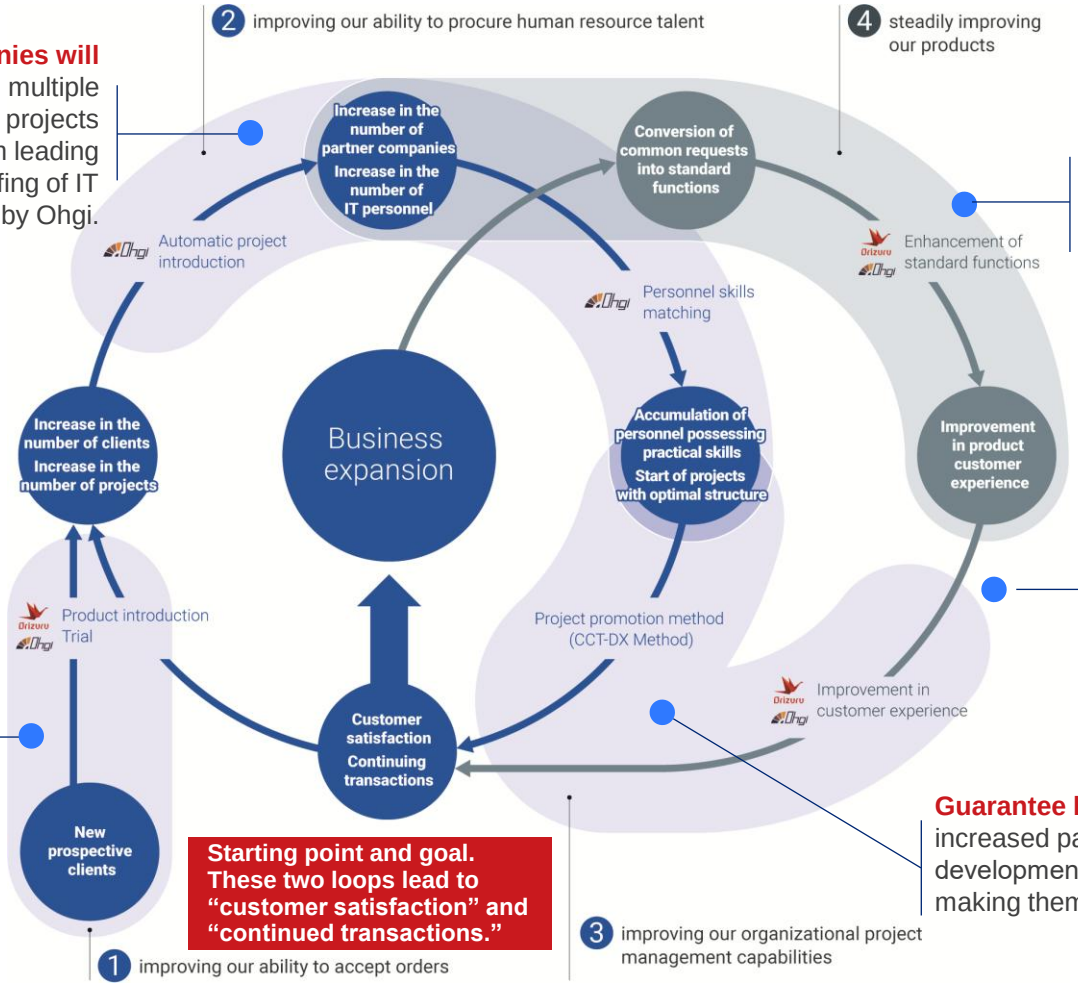
- **We realize sustainable growth through synergy based on two loops, which enhances our competitive advantage.**

The blue loop represents the flow from order receipt to delivery; namely "**a structure to generate profit**."

The grey loop represents a process to improve the value of each product; namely "**a structure to evolve products**."

The number of partner companies will naturally increase by proposing multiple kinds of projects combining our projects (support for DX) and projects from leading system integrators (support for staffing of IT personnel) by Ohgi.

The number of order increases as our products evolve.

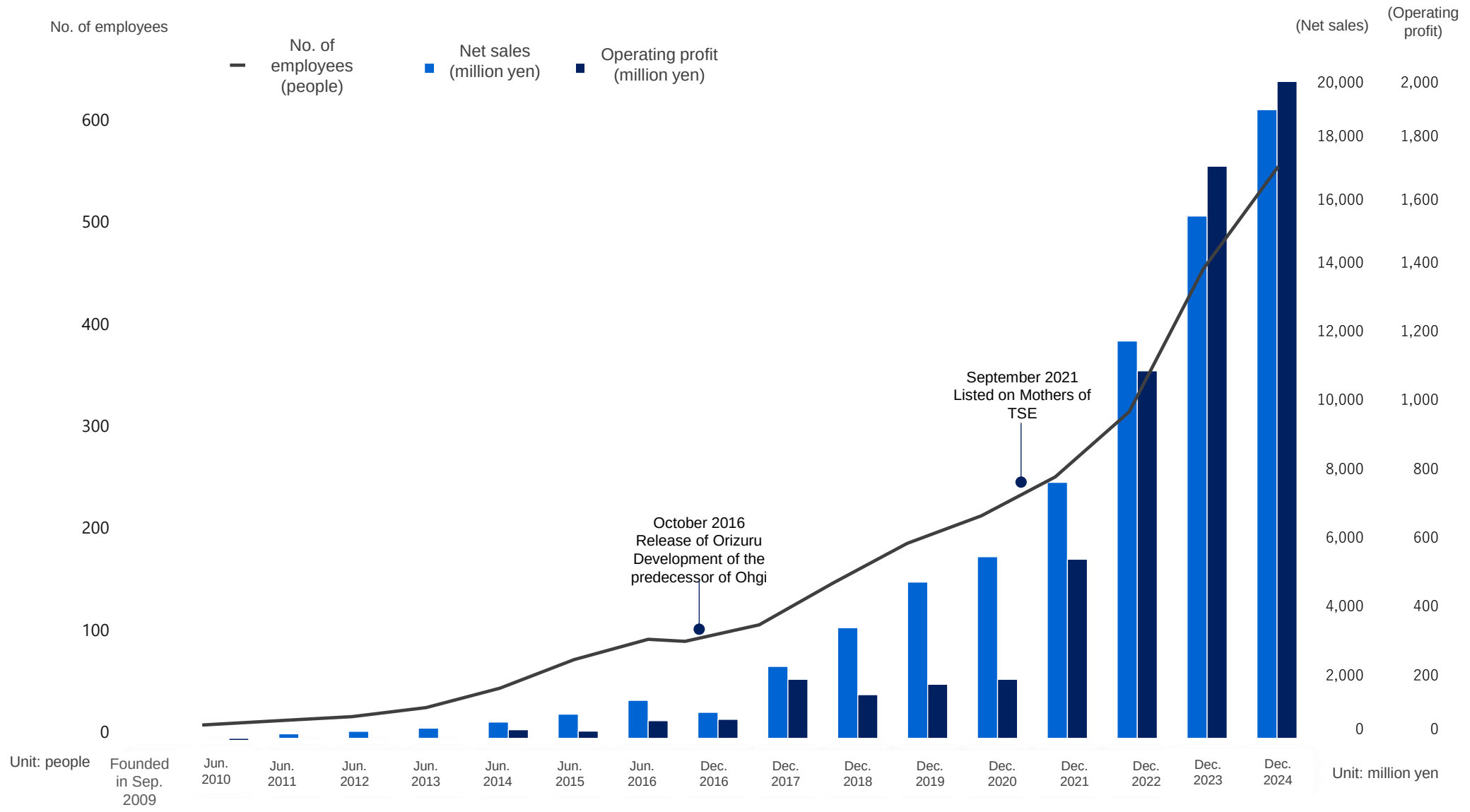


Value experience of our client improves by enriching the functions of "Orizuru" and "Ohgi."

By engaging in the grey loop, the pace of the blue loop speeds up, **leading to enhanced profitability**.

Guarantee high quality by having personnel of increased partner companies engage in the development in "Orizuru" and "CCT-DX Method" and making them immediate workforce.

Variation in past performance



* Due to the change of the accounting period, FY 12/2016 was an irregular 6-month period.

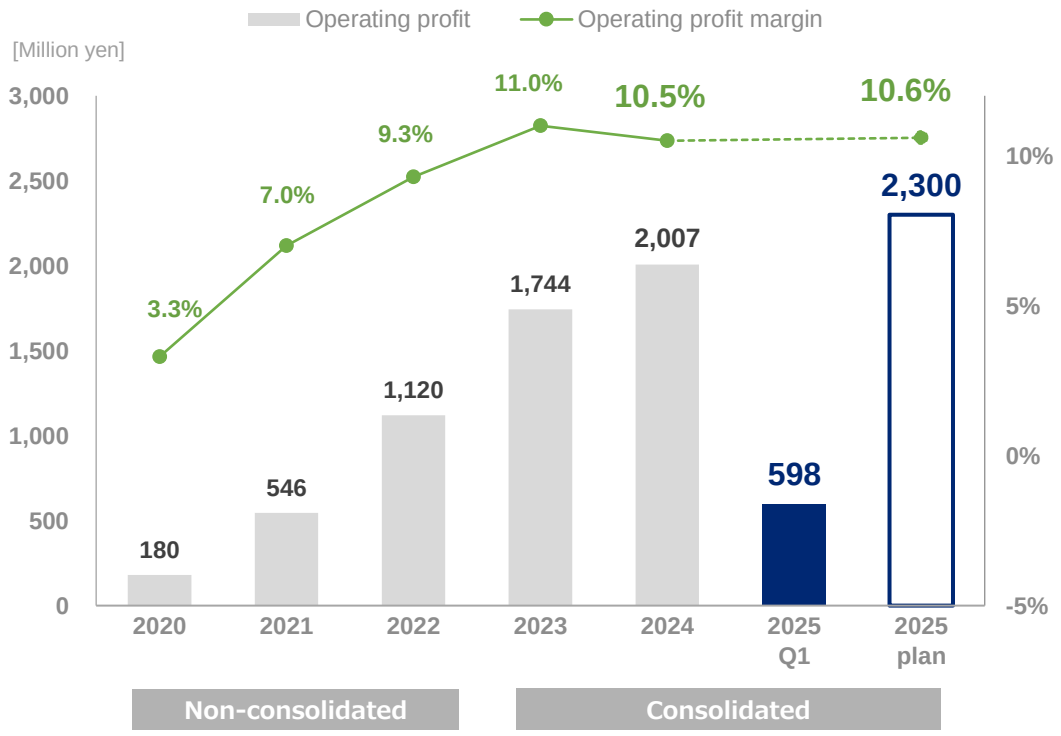
Financial highlight

- **Shifted from the high growth phase to the stable growth phase.**

Sales growth

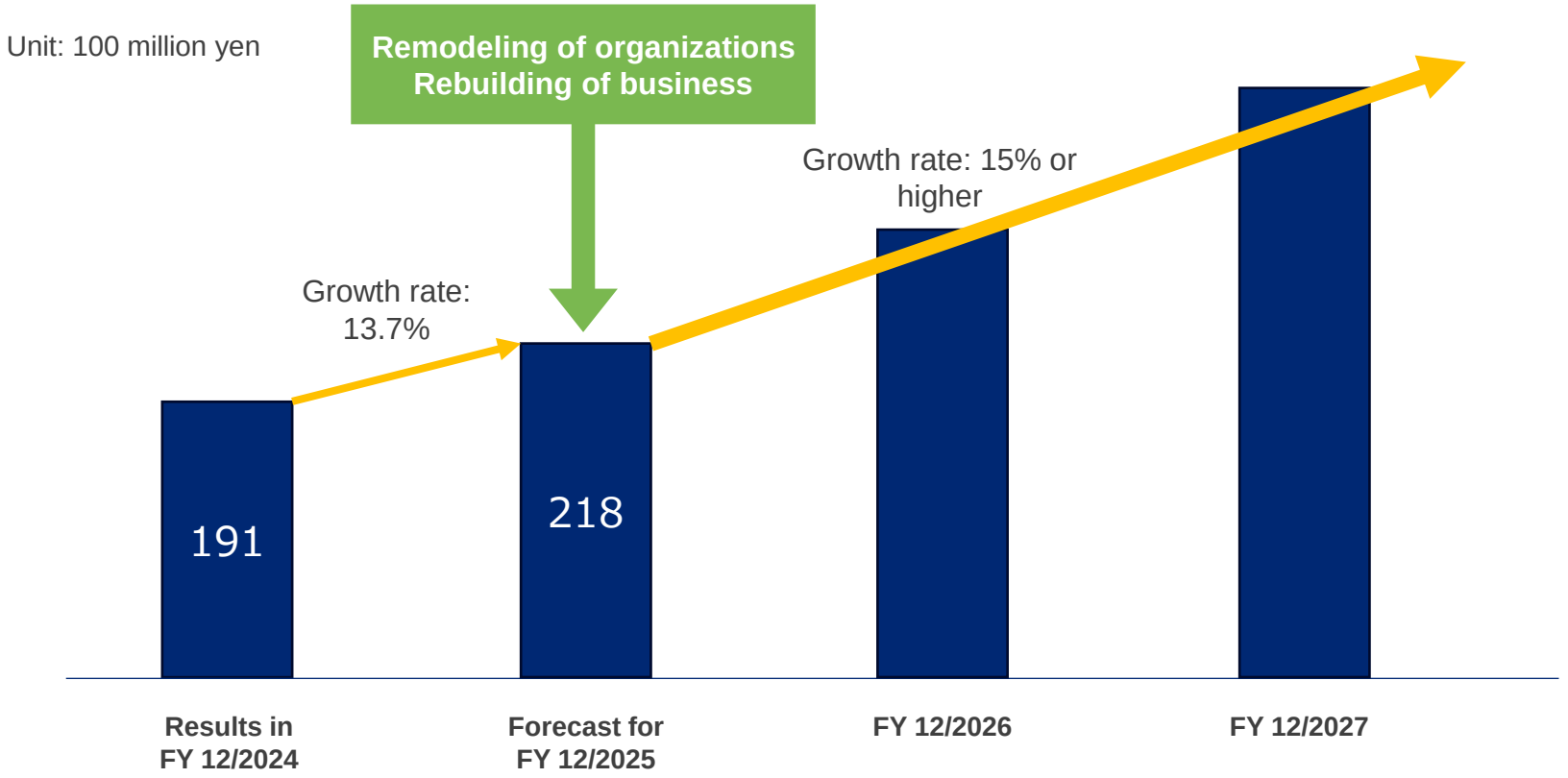
*1 From FY 12/2020 to FY 12/2024

Variations in operating profit and its margin



Envisioned medium-term performance

- **Shift to sustainable stable growth phase.**
- **We aim to achieve a sales growth rate of 13.7% in FY 12/2025 and 15% or higher from FY 12/2026 to FY 12/2027 as our organic growth.**



Measures for improving gross profit margin

- **Regarding support for DX, we aim to achieve gross profit margin of 40% or higher in a stable manner.**

	Support for DX	Support for staffing of IT personnel
Gross profit margin	● We aim to maintain 40% or over in the medium to long term.	● We aim to keep gross profit margin stable at 16% to 17%.
Unit price of our services	● We aim to raise the unit price of our proposal by 5% to 10%, to offset the rise in employees' wages, the rise in unit price for outsourcing and other necessary factors.	● To offset the rise in unit price for outsourcing
Unit price for outsourcing	To alleviate the impact of the rise in unit price in the market by utilizing Ohgi (To curb the rise in unit price)	
Outsourcing expense rate	**Around 45%** ● In the main phase, we will shift from employees to subsidiaries or business partners. Employees engage in business operations with high added value.	**Around 70%** ● No change to the status quo
Improvement in productivity	● To improve productivity by improving technological prowess and streamlining business operations (by establishing an organization development division)	
Project profitability management	● To make the judgment for accepting orders stricter (standard gross profit margin: 40% or higher) and manage project profitability thoroughly	

Securing a necessary number of project managers for growth

- **To secure project managers/leaders, who are insufficient, by promoting new graduates to these positions**

[people/year]

The number of project managers/leaders necessary to achieve 15% growth.	Assumed methods		Results
10 to 13	Hiring employees who are ready for actual tasks 2 to 3	Employment of mid-career workers 2 to 3	● In the market of mid-career workers, the supply of project managers is insufficient, but it is possible to hire a few workers by improving our popularity, track records, salary level, etc.
	By promoting new graduates 8 to 10	Number of new graduates employed 40 to 50	● The number of graduate students majoring in a science course of a local national and public university, who are main targets, is increasing steadily. ● We also employ undergraduate students actively no matter whether they major in science or liberal arts.
		×	
		Ratio of promoted new graduates in 3 to 5 years 20%	● In job interviews, we put more focus on an aptitude for serving as a project manager than engineering skills. ● In the main phase, we train them intentionally.

M&A policy

- **We will stick to the policy of aiming to expand the Ohgi network in local regions while utilizing subsidiaries as hubs.**
- **The scale of each target company will be raised. (assumed sales are 1 billion yen or larger)**

Purpose	To enrich the lineup of products for DX	To secure human resources and reduce outsourcing expenses
Target	IT enterprises with forte in areas that match our policy to expand the support for DX areas	Mainly the local small and medium-sized IT enterprises
Results	■FY 12/2023 Investment in REVA Investment Limited Partnership No. 1 Business alliance with REVA Corporation ■FY 12/2024 Acquisition of Pros Cons, Inc. as a wholly owned subsidiary Capital and business alliance with ESTYLE, Inc.	■ FY 12/2023 Acquisition of P. G. System Co., Ltd. as a wholly owned subsidiary Acquisition of Denso Co., Ltd. as a wholly owned subsidiary ■ FY 12/2024 Acquisition of Pro-X Co., Ltd. and Digital Design Services Co., Ltd. as wholly owned subsidiaries

Medium-term financial guidelines

- **To continue high-quality growth while keeping growth potential and profitability, and maximize total shareholder return (TSR)**

Growth potential

Sales growth rate

15% or higher
(excluding FY 12/2025)

Profitability

ROE

30% or higher
(achieved)

Shareholder return

Dividend

We will pay progressive dividends from March 2026.

Acquisition of treasury shares

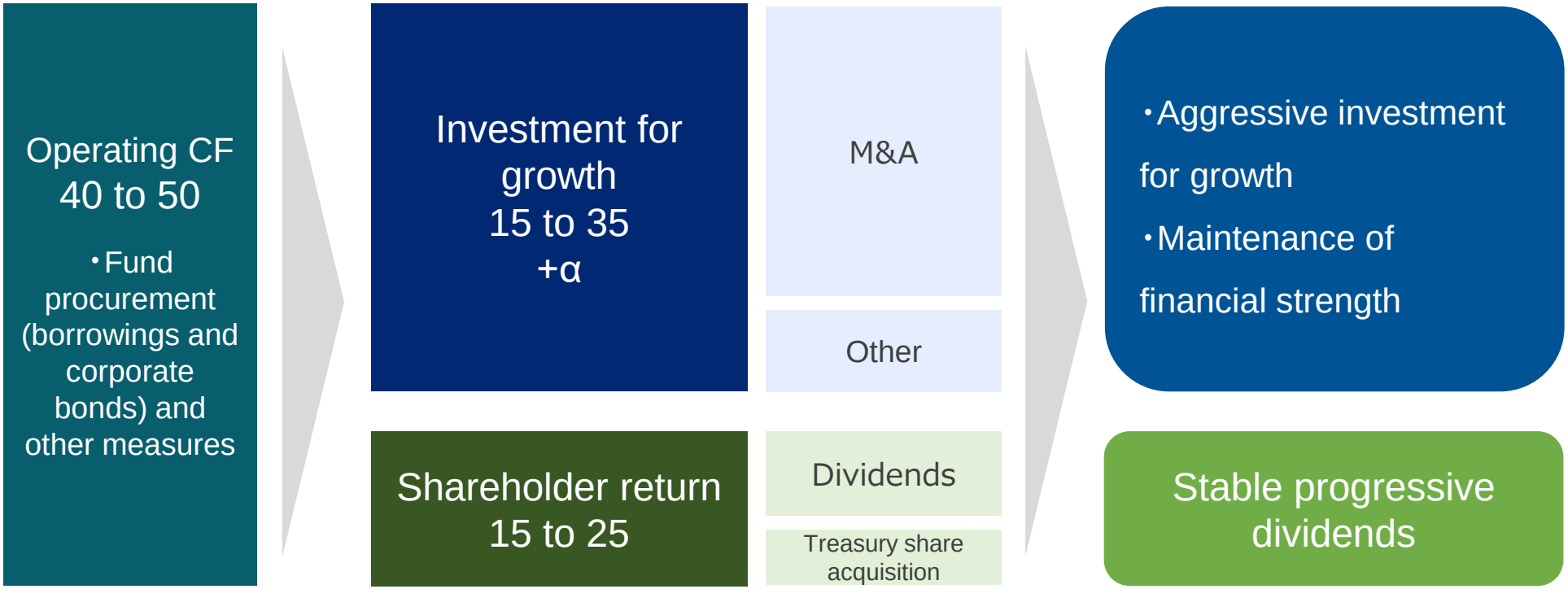
Flexibly conducted

Cash allocation

- **To continue aggressive investment in mainly M&A and in-house development for growth**
- **We plan to pay progressive dividends in a stable manner, and acquire treasury shares in a flexible manner.**
- **In principle, we will invest for growth and return profit to shareholders within the range of operating cash flow, and consider borrowing and issuance of corporate bonds when carrying out large-scale M&A.**

Envisioned cash allocation in FY 12/2025 to FY 12/2027

Unit: 100 million yen



Dividends

Start of dividend payment

- **To start dividend payment in order to improve corporate value by returning profit to shareholders in parallel with business growth**
- **We plan to pay a dividend of 19 yen/share in March 2026, under the assumption that the earnings forecast for this fiscal year will be achieved.**

Background of start of dividend payment

- Share price remains low due to the stagnant rate of sales growth, so it will be impossible to return profit to shareholders through capital gain for the foreseeable future. Accordingly, we have concluded that we should start paying dividends as shareholder return.
- Growth rate has slowed down, but our business base has been growing steadily, so we believe that sales and profit will keep increasing. We judged that even if we pay dividends, there will remain sufficient funds for investments in human resources and M&A for business growth.

Basic policy for capital measures

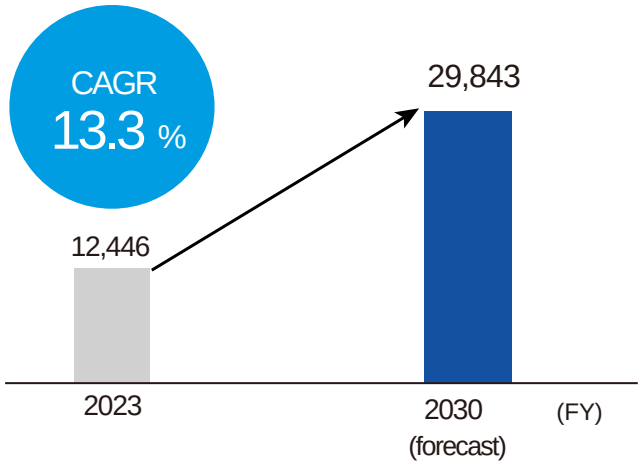
- In order to maximize shareholders' profit, we will improve corporate value through business growth to raise share price. In addition, we directly return profit while securing internal reserve required for future business operations and strengthening our financial standing to improve return on invested capital, and we maximize TSR by boosting medium/long-term return on equity (ROE).
- Our basic policy is to pay progressive dividends in a stable manner, and we would like to meet shareholders' expectations when our performance is good with the target payout ratio is 20% to 30%. Since we determine the dividend amount while comprehensively considering the variation in business performance, the amount of investment for growth, financial situations, etc., the above payout ratio is a mere assumed one. We would appreciate your understanding.
- While comprehensively considering the market trend, share price level, financial situations, etc., we will discuss the acquisition of treasury shares flexibly when necessary.
- Without giving top priority to the accumulation of net assets, which has been emphasized, we will consider the change of stock markets to the Prime Market when we satisfy the requirements, that is, net assets of 5 billion yen and a market capitalization of 25 billion yen.

Market scale: Scale of the DX market and the business domain of our company

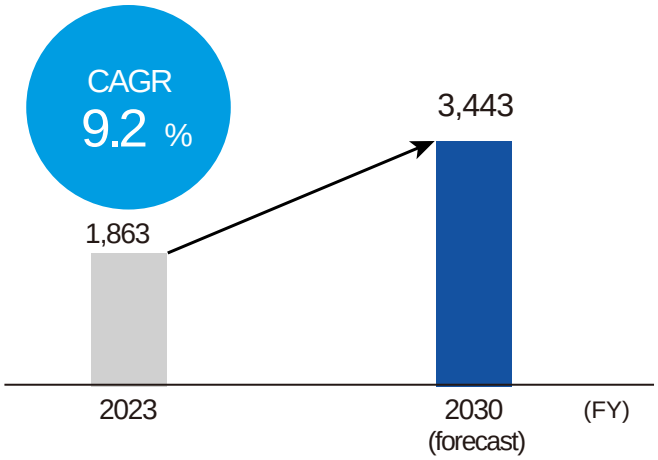
- **The market scale of DX is expanding exponentially.**
- **The manufacturing, construction and logistics fields, which are our current priority fields, are expected to grow considerably.**

The market scale of DX

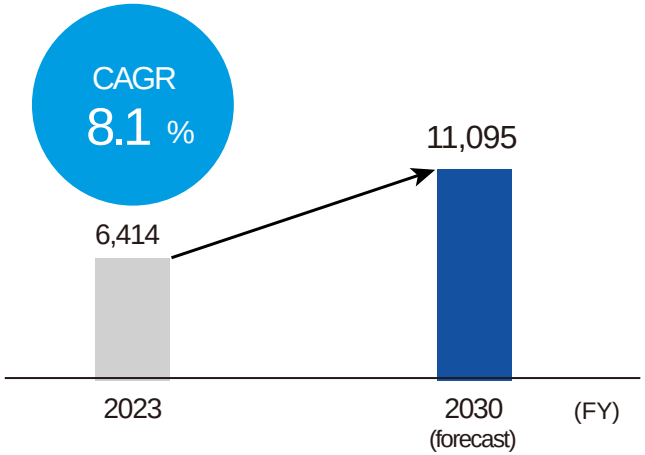
Manufacturing
（100 million yen）



Real estate/construction
（100 million yen ）



Traffic/transportation/logistics
（100 million yen ）



*Source: Marketing Section of Future Outlook for the Digital Transformation Market – Market Edition 2025, produced by Fuji Chimera Research Institute, Inc. in March 2025

Characteristics of support for DX

- **Focus on the manufacturing, construction, and logistics industries where we can leverage our strengths.**
- **The use of Orizuru enables speedy realization of DX for customers.**

	Manufacturing (since the establishment of our company)	Construction (since 2015)	Logistics (since 2023)
Main areas of support			
	Design, procurement and manufacturing ✓ Order receipt and procurement (Orizuru) ✓ Smart factory (Orizuru) ✓ PLM (Aras Innovator) ✓ ERP (mcframe/infor)	**Design and construction** ✓ BIM linkage system/common data infrastructure ✓ Design efficiency (AI utilization) ✓ PLM (Aras Innovator)	**Warehousing and transportation** ✓ WMS (Warehouse Management System) ✓ TMS (Transport Management System)
Strengths	✓ 3D shape data processing technology (CAD, numerical algorithms of geometry and image processing by AI) ✓ Manufacturing expertise in the manufacturing industry	✓ Achievements in the manufacturing industry by support for DX ✓ Experience in the development of BIM common data infrastructure and BIM data (IFC) handling technology ✓ Extensive business knowledge in the construction industry	✓ Achievements in the manufacturing industry by support for DX

Knowledge and experiences in manufacturing DX

- **Solution provider that can address client companies' issues in a comprehensive manner**

Problems with manufacturing DX in Japan

1	Coexistence of old and new equipment	Machinery and equipment installed several decades ago and newly installed machinery and equipment are operated at the same time. It is difficult to develop a totally smart factory.
2	Lack of knowledge of manufacturing sites	There are few enterprises that possess the perspective of management, the viewpoint of on-site factory staff, and broad knowledge of business operation processes, manufacturing processes, hardware, and software.
3	Lack of system integrators	Various systems have been partially optimized and installed in value chain processes. The effects of DX are limited, because of insufficient integration.

Forte of CCT

1	Retrofitting	•Orizuru is compatible with a variety of machinery and equipment. •Digitalization of old equipment based on knowledge of hardware •Separation between manual work and automation
2	Knowledge of manufacturing industry and DX accumulated for many years	•Founding members engaged in manufacturing DX for over 20 years. •To develop business operation processes from the viewpoints of management and on-site staff •Conversation with client companies while using jargon
3	A broad range of solutions	•To meet customer needs by combining Orizuru, Salesforce, SAP, etc. from all aspects •To maintain the uniqueness of each client company through customization based on the workflow of each client

We won profound trust of client companies. The ratio of sales from existing clients has been stable and around 90%.

Cloud solution: To become a new type of a DX integrator

- **We will respond to all kinds of needs for digitalization from client companies with cloud products in each field and Orizuru.**
- **We will address the issue of the poor customizability of cloud products by using Orizuru as a comprehensive customization platform.**

Issues on existing solutions

Construction of an original system

Issues

- Client companies cannot proceed with DX by themselves and rely on system integrators.
- An enormous amount of costs and time are required for construction.
- Tends to become a legacy system and an enormous amount of costs and time are required whenever update is conducted.

Package utilization

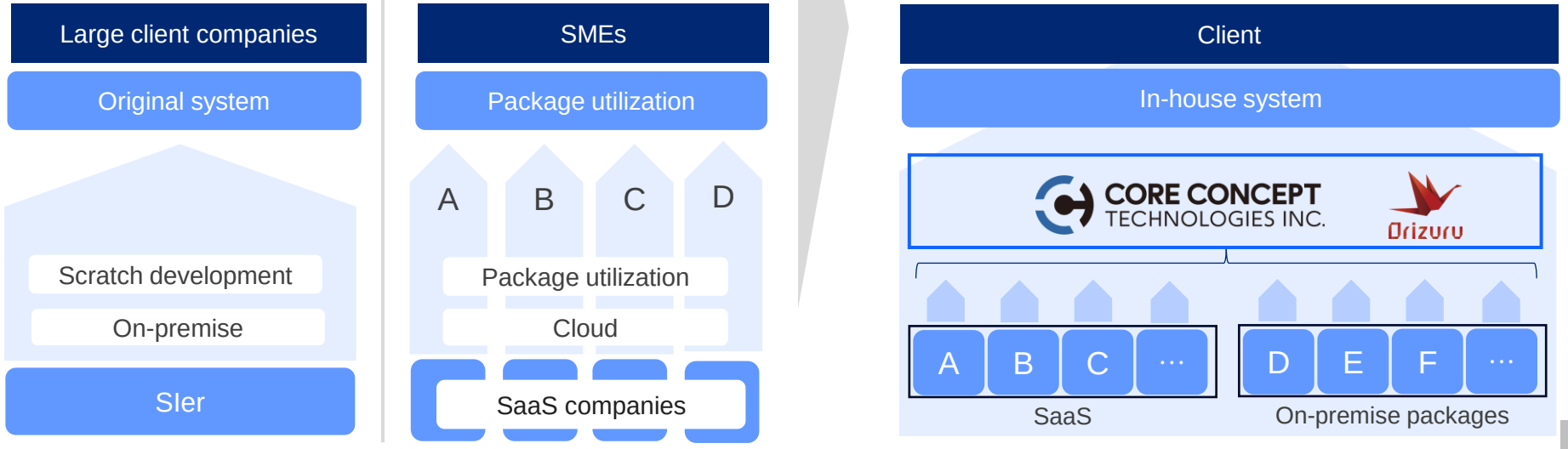
- Difficult to perform customization tailored to business workflow.
- Difficult to enable linkage between packages and manual work is required.

Our solution

Operation of multiple solutions in a comprehensive manner

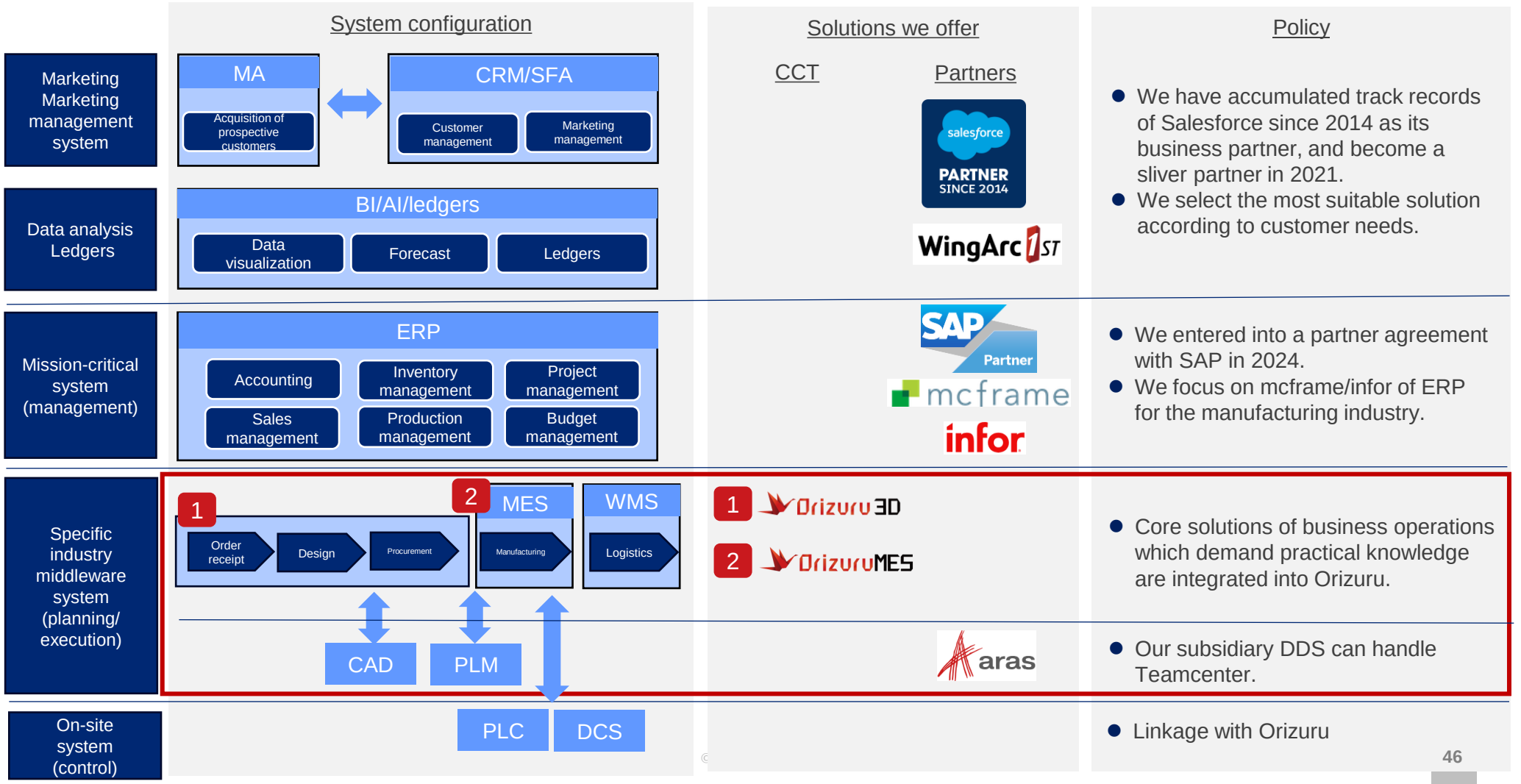
- Construction of a system according to customer needs by integrating Orizuru and other products
- Possible to perform customization tailored to business workflow of clients and maintain the uniqueness of client companies.
- Significant reduction of development costs and time
- Possible to prevent SaaS products from becoming a legacy system as they are automatically updated to the latest version.

Conceptual diagram of development



Our lineup of products

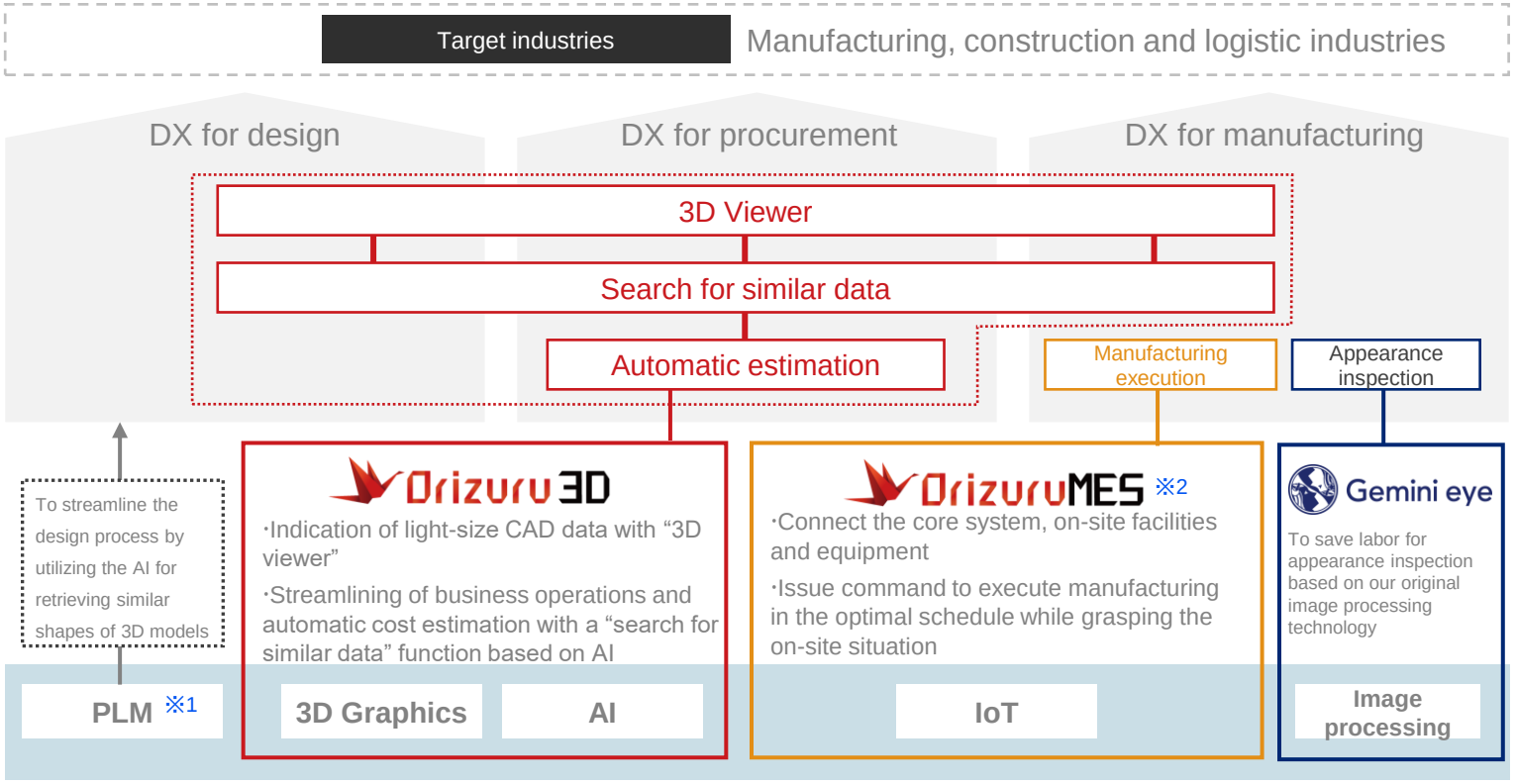
- **We use our original product “Orizuru” to respond to specific industries which require practical knowledge and individual customization.**
- **We integrate standard cloud products for common fields (Fit to Standard), and enrich our products in a stepwise manner.**



DX development base “Orizuru,” a database of knowledge accumulated over many years

- **To actualize the functions demanded by customers swiftly at low cost by utilizing a DX development base “Orizuru”**
- **Working on various development projects evolves the standard functions of Orizuru (basically, no need for investment in development)**

Various functions required for design, procurement and manufacturing DX (e.g. automatic estimation and manufacturing execution) and element technologies for realizing DX (e.g. 3D modeling, AI, and image processing) are converted into the standard functions of Orizuru. We named the product “Orizuru” as we hope that we want to vitalize the Japanese manufacturing industry which possesses fine and delicate technical capabilities like *paper crane*.

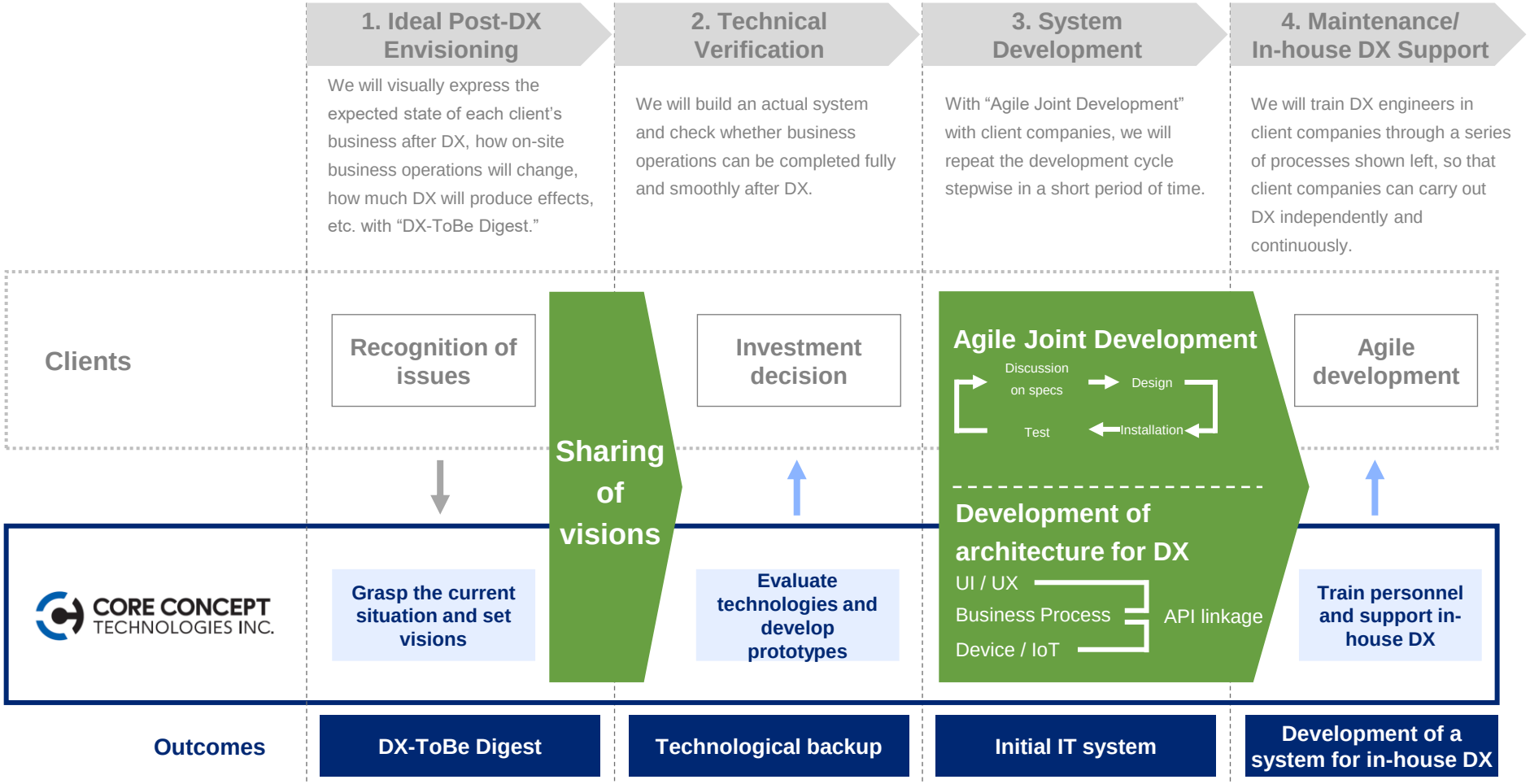


*1 Abbreviation for “Product Lifecycle Management.” It means aggregating various technological information on the entire product lifecycle, and using it to improve product development capabilities and corporate competitiveness.

*2 Abbreviation for “Manufacturing Execution System.” MES grasps and manages manufacturing processes, and gives instructions and support to workers.

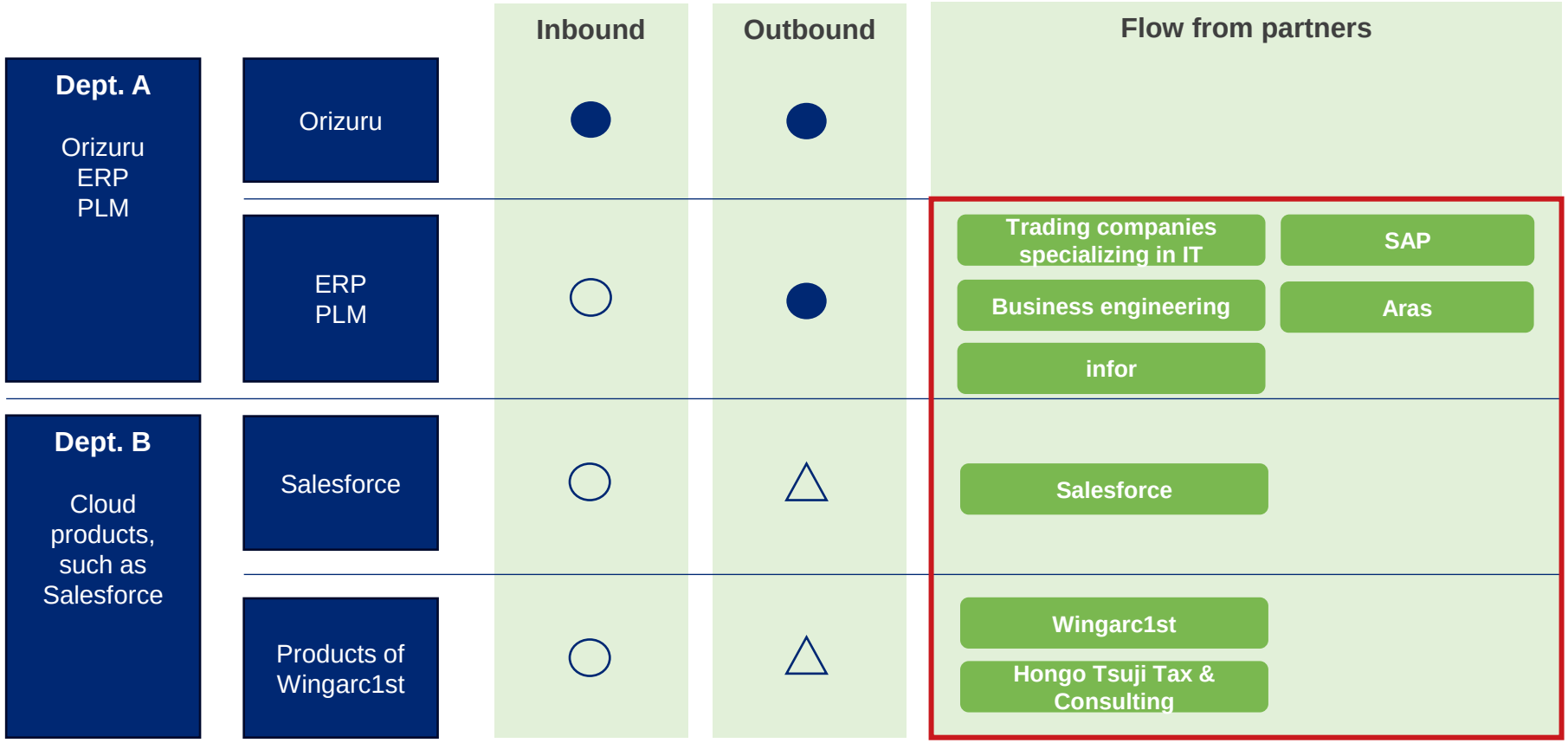
Support for DX: Project promotion method “CCT-DX Method”

- **Original method to accompany and support our clients to realize DX in-house by utilizing Orizuru and Ohgi.**
- **Aim to continue maintaining quality and customer satisfaction even as the number of projects and employees increases.**



Support for DX: How to attract new clients

- **We aim to steadily increase the number of prospective customers by cementing the relationships with business partners, in addition to our efforts to acquire new clients.**



BP network “Ohgi”

- **Ohgi considerably reduces the time required for matching projects and personnel.**
- **We have formed a wide network of small and medium-sized IT enterprises.**

Workflow in the conventional multi-outsourcing system (3 days to 1 week required for sending requests and proposals)

Matching process with “Ohgi”

1st-tier contractor

Ohgi

Partners

Matching with “Ohgi”

10 min.

Reduce the “matching” time, which takes 3 days to 1 week with the conventional method, by 99%

→ Proceed to “meeting coordination”

Features of Ohgi

- ✓ **A network of approximately 5,900 companies (about 140,000 IT personnel) centered in Tokyo**
- ✓ **Targets mainly at small and medium-sized IT enterprises (not freelancers)**
- ✓ **We will expand the network to include local IT enterprises.**

We made a database of human resource network which includes many BPs we have cultivated since our founding and information on employees who belong to the companies.

The product was named “Ohgi” as we hope that “**we want to expand our business to every corner of Japan**.”

Meanings of Ohgi

- **To foster win-win relationships so that CCT and business partners (BPs) will increase their respective sales**

1

Active outsourcing would contribute to sales growth and the maintenance of the ratio of engineers in service

- CCT employs mainly project managers/leaders and specialists in the manufacturing, construction, and logistics fields, where we support DX.
- We actively utilize engineers of BPs procured through Ohgi, because general operations are dominant in the phase of development, operation, and management in the business of support for DX.
- General operations are dominant in the business of support for staffing of IT personnel (CCT undertakes tasks as a subcontractor from leading system integrators), so we raise the ratio of BPs. *In this system, CCT serves as project leader as a subcontractor, and enlists support from partners (outsourcing from leading system integrators to CCT to BPs). This is similar to and different from a general platform for matching system integrators and engineers, including freelancers.
- By utilizing outsourcing as a control valve, we keep the ratio of engineers of CCT in service around 100%.

2

Provision of merits of sales growth to BPs

- We daily distribute plenty of information (projects directly entrusted to CCT and projects entrusted by leading system integrators) and offer opportunities to receive orders to business partners.
- In the structure where many intermediary agencies are involved, the unit prices of small and medium-sized IT enterprises decrease as the tier lowers. Meanwhile, they can join projects entrusted by CCT as a subcontractor (when CCT is directly entrusted) or a second-tier subcontractor (when CCT undertakes projects as a subcontractor), so their unit prices can be higher.

Uniqueness

- **Building a unique business model that ensures profitability even after “in-house DX” by supporting both DX and IT personnel staffing.**

As a first-tier contractor

Process of support for DX (targeted at business companies)

Ideal post-DX envisioning → Technical verification → System development → Maintenance/in-house DX support → After in-house DX

Support for DX

Orizuru, Ohgi

BP procurement by **our company** (Outsourcing expenses)

After in-house DX, sales will shift from those from support for DX to those from support for staffing of IT personnel.

Support for staffing of IT personnel

Ohgi

BP procurement by **business companies** (Commission sales)

[Case study] Development of “meviy” for MISUMI Corporation
Support for DX: CCT was commissioned by MISUMI to develop meviy.
Support for staffing of IT personnel: As a result of in-house DX by DTD (a joint venture between MISUMI and CCT), DTD procured BPs from Ohgi.

As a second-tier contractor

Mainly for major system integrators

Client companies: Planning | Technical verification | System development | Operation and maintenance

Support for staffing of IT personnel

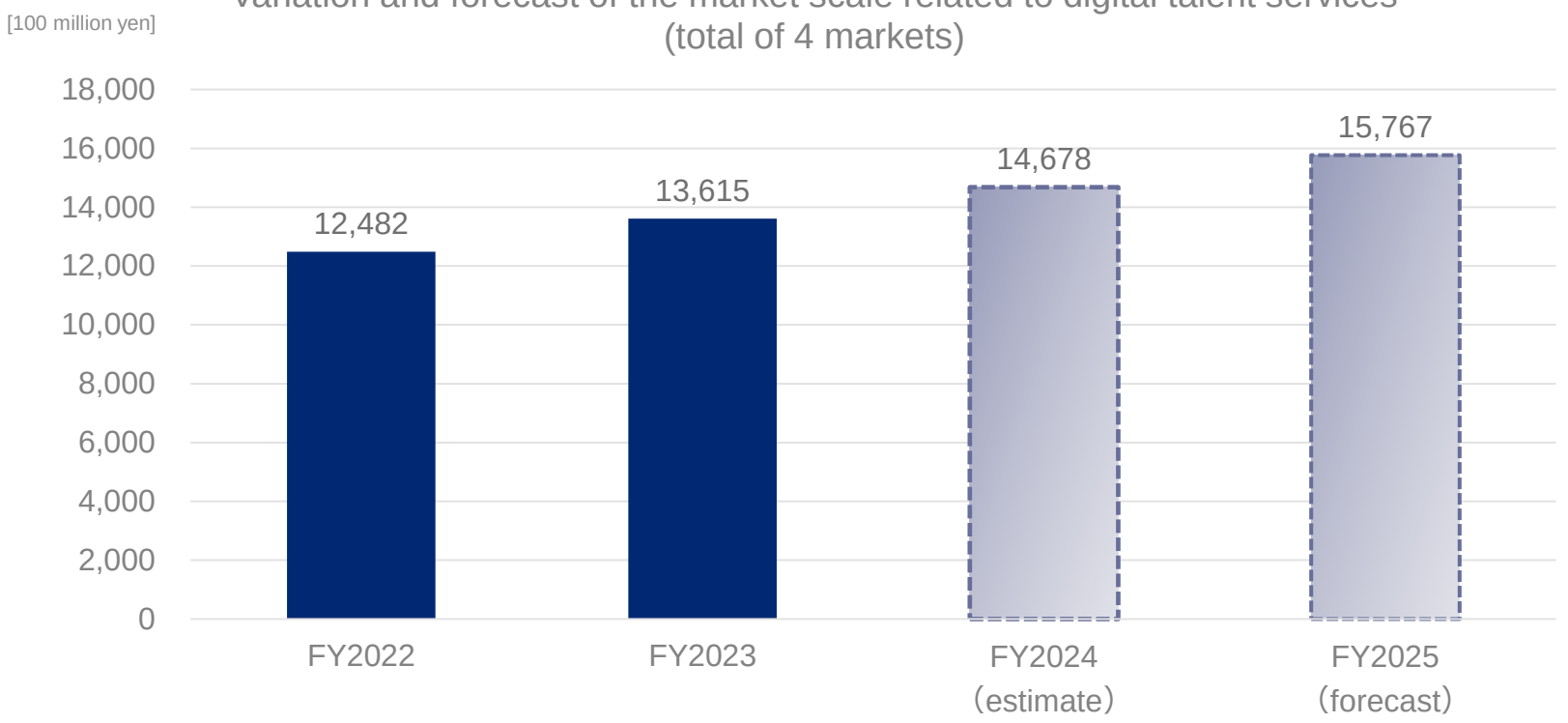
Ohgi

BP procurement by **our company** (Outsourcing expenses)

Market scale: SES market scale

- **The SES market scale is on an upward trend, and reached a 1.4 trillion yen scale.**

Variation and forecast of the market scale related to digital talent services (total of 4 markets)



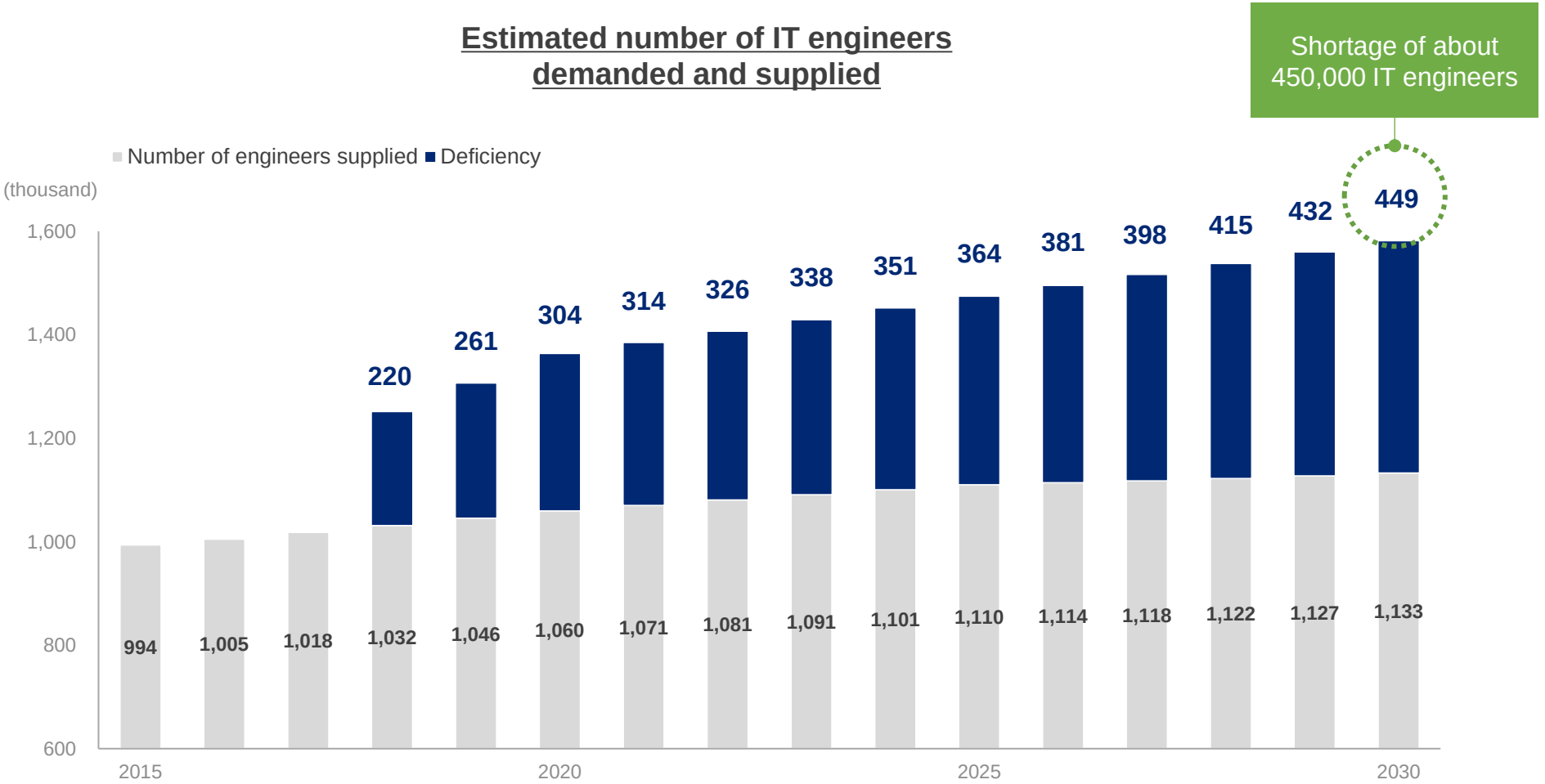
Note 1: Business operators' net sales basis
Note 2: FY2024 is an estimate and FY2025 is a forecast.
Note 3: A total of four markets including digital talent (IT engineers) dispatch service, digital talent agency service, digital talent direct recruiting service, and freelance digital talent matching service.

*Source: "Survey on the Digital Talent Service Market," published by Yano Research Institute in March 2025

Market scale: Aggravated shortage of IT personnel

- **We are entering the age in which business competitiveness is determined by the capability of staffing IT personnel.**

Estimated number of IT engineers demanded and supplied



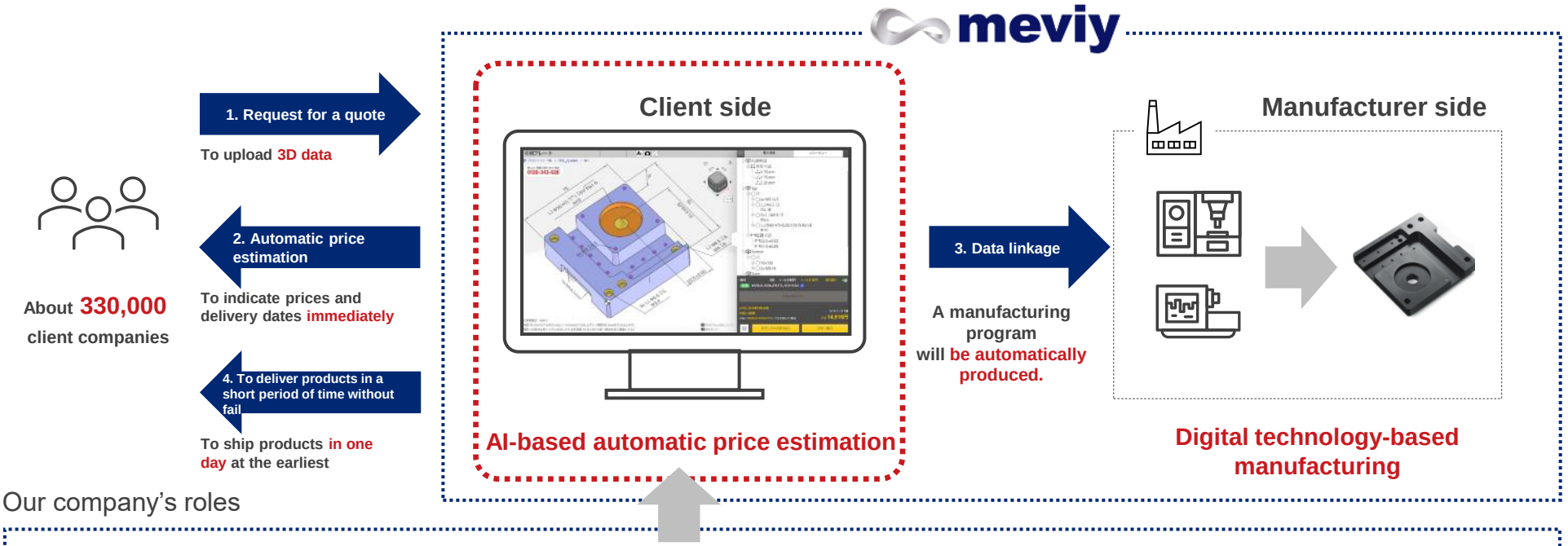
*Source: *Survey on IT Engineers Demanded and Supplied* produced by Mizuho Information & Research Institute, Inc. in March 2019

Example of support for DX: We supported MISUMI Corporation in developing a platform for receiving and placing orders for components.

CORE CONCEPT TECHNOLOGIES INC.

Development of a platform for receiving and placing orders for components

We supported MISUMI in developing a smooth transaction from enabling their clients to upload design data, automatic price estimation and immediate product shipment.
We will utilize the shape data processing technology nurtured through the development of "Orizuru" for AI-based automatic price estimation and digital technology-based manufacturing.



Our company's roles

Orizuru

Ohgi

- ✓ To jointly develop a 3D user interface and technologies for AI-based automatic price estimation and digital technology-based manufacturing by utilizing the shape data processing technology nurtured through the development of **Orizuru**.
- ✓ To organize a large-scale development team utilizing **Ohgi**

*MISUMI Group Inc. received the Prime Minister Award at the 9th Japanese Manufacturing Awards for meviy.

Example of support for DX: Support of construction of a smart factory for PowerX, Inc.

CORE CONCEPT TECHNOLOGIES INC.

Support for construction of a smart factory

To support the formulation of a scheme for realizing a smart factory and develop a system

To establish a system for linking all processes including the design of storage batteries, order receipt, production planning, manufacturing, and distribution and integrating the entire factory from end to end, by combining CCT Orizuru MES and Infor CloudSuite Industrial (CSI).

Formulation of a scheme

- We applied the CCT-DX Method. The experts in CCT understood the processes for manufacturing storage batteries, and supported the formulation of a scheme for realizing a smart factory that can maximize the production capacity of new factories.

Expected effects: Productivity improvement and ROI improvement in planning

Development of OT and the entire system based on IT

- We established a system for linking all processes, including design, order receipt, procurement, production, distribution, and accounting.
- We installed the production management function based on Infor CSI, and applied Orizuru MES, which put together the know-how of CCT, to the manufacturing execution system, to integrate IT and OT.

Expected effects: Productivity improvement and optimization of the entire system

infor

Orizuru

Swift personnel procurement

- We procured personnel with Ohgi, and formed a development team swiftly.

Expected effects: Sticking to schedule and flexible management of development costs

Example of support for DX: Support for building a MiraiFactory for Fine Sinter Co., Ltd.

CORE CONCEPT TECHNOLOGIES INC.

Support for construction of a smart factory

- ✓ **A visualization of the overall concept of a smart factory**
- ✓ **Reforming the manufacturing line: Designed DX for production control, quality control, and production planning**
- ✓ **Resolving technical issues with a demonstration line**
- ✓ **Verifying reform policies, improvement effects, and ROI in each process**

Production plan optimization for each facility

Developing an hourly production plan that is standardized and designed for each production facility

Expected effect: Reduction of work dependent on individual skills

Instructions to start construction for technicians

Issuing a work instruction list that directs each technician to perform high-priority work

Expected effect: Increased work efficiency

Preparatory work instructions for technicians

Instructions for preparing necessary items, such as cutting tools required for processing, and individual identification by 2D barcode

Expected effects: Increased work efficiency and error prevention

Automatic processing condition adjustment

Test processing, processing condition adjustment, and manufacturing are executed based on automatic measurement results and various sensor data.

Expected effects: Productivity improvement and quality improvement

Understanding real-time production status

Real-time monitoring and understanding of production from anywhere, instead of traditional local monitoring and monthly tabulation

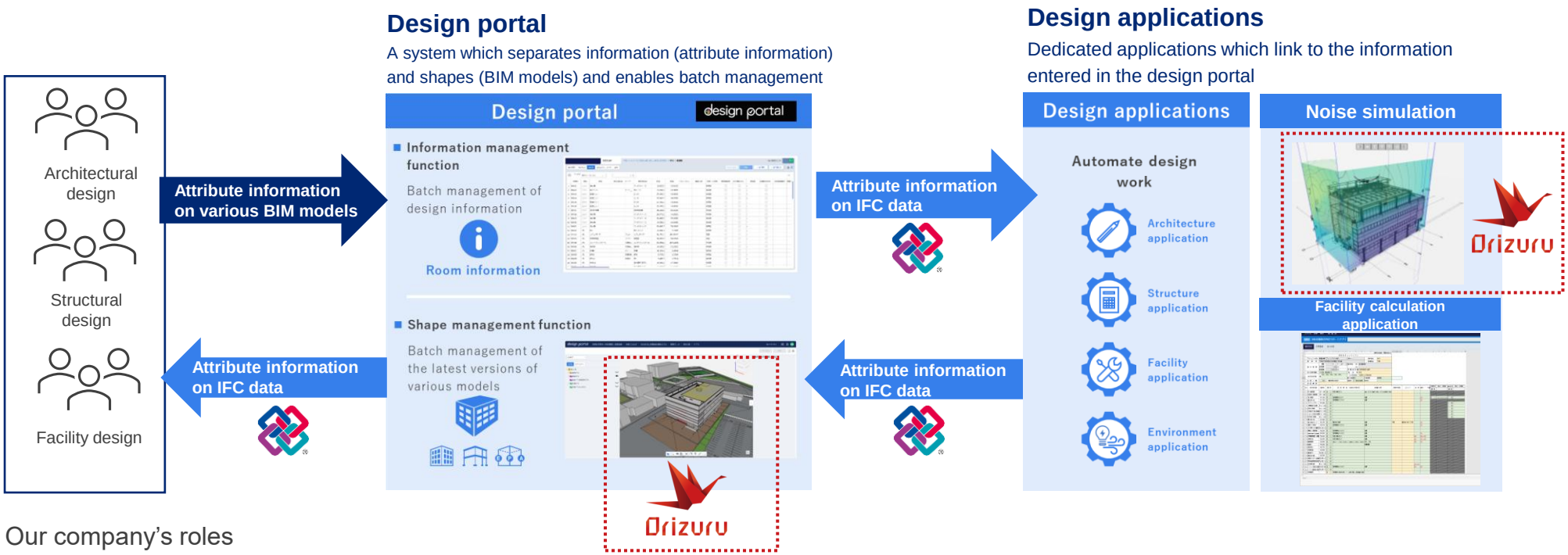
Expected effects: Remote work and real-time monitoring

Example of support for DX: Support for design BIM tool development for Takenaka Corporation

CORE CONCEPT TECHNOLOGIES INC.

Development of “design BIM tool”

We supported Takenaka Corporation in developing a “design BIM tool” which enables real-time linkage of design information on construction projects.
“Orizuru” provides such functions as IFC Viewer and sophisticated simulation based on three-dimensional processing technology.



Our company’s roles

Orizuru

aws PARTNER

- ✓ It becomes possible to link various BIM data (IFC data) with design data and visualize them by utilizing **Orizuru**’s three-dimensional technology.
- ✓ It becomes possible to develop a secure, scalable environment and engage in DevOps (CI/CD) by making the most of **AWS.**

Example of support for DX: DX of on-site work for a major construction company

Remote management center establishment support

Dissemination of knowledge of veteran staff and tackling the issue of developing young human resources Improving productivity and achieving workstyle reform for on-site employees through centralized management of information

Remote communication

In response to the problem of difficulty in maintaining on-site capabilities due to the mass retirement of veteran employees, by synchronizing on-site information such as images in real time at the remote management center, it is possible to obtain information equivalent to or better than the construction site even from remote locations, which makes it possible to provide support as if veteran employees were on the site.

Expected effects: Improvement of productivity, knowledge transfer and remote work

Consolidation of on-site operations

There was a concern that the number of mid-level workers responsible for on-site work would decrease, and the number of work sites that could be handled would decline, making it challenging to secure profits. In response to this, simple tasks common to each site, such as document preparation and photo sorting, which had been performed on-site until now, were consolidated at the remote management center to reduce the on-site workload.

Expected effects: Workstyle reforms and securing profits

Next-generation human resources development

There was a chronic lack of opportunities for young people to be trained due to the small number of mid-career workers, resulting in knowledge not being passed to the next generations. In response to this, we created case method (simulation) type educational content using VR generated from the site information accumulated in the remote management center. In addition, we have established a system in which past knowledge is managed in a manner allowing it to be referred to at any time, providing opportunities for voluntary knowledge acquisition during operations.

Expected effects: Knowledge transfer and speeding up personnel training

Example of support for Salesforce introduction: TORAY Engineering Co., Ltd.

Support for Salesforce introduction

We provided one-stop support for PoC, construction and use when introducing Salesforce.

We centralized information between sales, technology and purchasing as a company-wide information sharing platform.

Multi-cloud

In addition to reforming the sales and marketing areas, we utilized multiple products in Salesforce to meet extensive demand such as data analysis with BI, semi-automation of order receipt with electronic commerce, and coordination of information between sales, technology and purchasing.

Linkage with external systems

Linking with mission-critical systems improved the operational efficiency of order receipt. Additionally, linking with PLM and purchasing systems contributed to information sharing and operational efficiency improvement among production staff, purchasing staff, vendors and suppliers.

Agile process

We leveraged the features of no-code and low-code to repeat the cycle of construction, evaluation and improvement, deployment, and use by users at high speed. We then continued to expand the functions and deploy them to other departments.

Teams and culture

- **A group of engineers who promote down-to-earth DX with profound knowledge of on-site situations**
- **To develop an environment where workers can concentrate on their tasks with reasonable systems**

Forte

Technology × **Knowledge of manufacturing**

- We employed mainly graduate students majoring in a science course of a national and public university (master's degree or doctoral degree), while putting importance on thinking skills rather than programming skills.
- 3D Graphics, AI, IoT, and image processing

- Founding members have engaged in manufacturing DX for over 20 years.
- Business operation processes, manufacturing processes, and hardware
- To hire those who have worked in the industries of "manufacturing," "construction," and "logistics," to enrich our business knowledge

Priority domains to be fortified

- Consulting
- ERP field

Corporate culture
Think Big, Act Together.

Customers first	Mindset as a party involved	Logic × Passion	Flexible workstyles
Utilization of cutting-edge technologies	Study sessions that can be held and attended freely	Intellectuals answer technological Q&As promptly.	Performance-based

- **In FY 12/2024, we concentrate on the collection and disclosure of data on Scope 3 emissions, the promotion of health-oriented business administration, the tightening of information security, and the enhancement of group management.**
- **Disclosure of the integrated report in June 2024. (We hope you will read it. https://www.cct-inc.co.jp/ir/)**

***Please also refer to the Integrated Report (to be revised in around June 2025).**

[Excerpt from the integrated report]

	Our Materiality	KPI	FY2023 Results
Resolving Social Issues through Business Activities	**Realizing Sustainability through Client DX** Contributing to business continuity, increasing sales and profit, and sustainable development of industry by using "Orizuru" to implement client DX	(1) Support for DX business sales (2) Number of employees involved in DX projects	(1) 7,606 million yen (2) 275 people
	Developing the IT Human Resources Who Will Shape the Future Resolving the problems caused by involvement of many intermediary agencies and contributing to the sustainable development of the IT industry by improving the skills of IT engineers and expanding the "Ohgi" network	(1) Number of companies registered in Ohgi (2) Number of business partner assignments (quarterly average)	(1) Approx. 5,000 (2) 1,032 man-months (FY2023 4Q)
Resolving Social Issues through Corporate Activities	**Taking the Initiative in Global Environmental Conservation** • Realizing a zero carbon business • Realizing a circular economy business	(1) Greenhouse gas (GHG) emissions (Scope 1, 2) (2) GHG emissions per unit of net sales (3) GHG emissions per unit of operating profit (4) Rate of reuse of computers	(1) 121.9 t-CO_2 (2) 0.8 t-CO_2/hundred million (3) 7.0 t-CO_2/hundred million (4) 100%
	An Organization Where Each and Every Individual Can Contribute • Widely disseminating the CCT WAY • Strengthening organizational capabilities by promoting employee engagement • Creating a comfortable and rewarding working environment	(1) Number of participants in CCT WAY training (cumulative) (2) Percentage of men and women employees taking statutory parental leave (3) Average hours of overtime	(1) 71 people (2) Men 37.5% / Women 100.0% (3) 19.74 hours
	Resilient Business Base • Data security and system risk management • Ensure highly transparent governance and compliance	(1) Percentage of women Directors (2) Percentage of Outside Directors (3) Number of serious incidents	(1) 11.1% (2) 44.4% (3) 0

Non-Financial Information

(Item)			2019	2020	2021	2022	(FY) 2023
Environment							
GHG emissions (Scope 1, 2)*2		(t-CO_2)	81.7	79.7	80.0	93.7	121.9
GHG emissions (Scope 3) (non-consolidated)		(t-CO_2)	-	-	-	-	10952.6*3
Society							
No. of employees		(people)	185	212	250	314	454
Percentage of engineers		(%)	-	85.85	80.80	79.62	79.39
Statutory parental leave acquisition rate	Men	(%)	0.0	20.0	37.5	50.0	37.5
	Women*4	(%)	0.0	100.0	100.0	100.0	100.0
Percentage of women employees		(%)	17.93	17.45	15.60	16.88	17.27
Percentage of women managers		(%)	0.00	4.00	4.00	4.76	3.70
Governance							
Ratio of Outside Directors		(%)	0.0	0.0	37.5	37.5	44.4

We understand Scope 1 and Scope 2 GHG emissions and are committed to reducing them. We plan to set KPIs for materiality and emissions reduction targets for Scope 1 and 2 in 2024. We also worked on calculating Scope 3 emissions on a non-consolidated basis in 2023. Moving forward, we aim to include Scope 3 in figures for the entire group.

Regarding the handling of this material

- This material was produced by our company for the sole purpose of providing information, and not intended for soliciting the purchase or sale of securities of our company.
- The descriptions related to forecasts included in this material are based on our judgments and assumptions as well as currently available information, and include information on our business plans, market scale, competitors' situations, industries, and growth potential. Accordingly, there is a possibility that actual results may differ significantly from explicit and implicit forecasts due to various risks and uncertainties.
- Unless otherwise specified, this document indicates financial data in accordance with the generally accepted accounting principles in Japan.
- Information on companies other than our company is based on publicly available information.


CORE CONCEPT
TECHNOLOGIES INC.